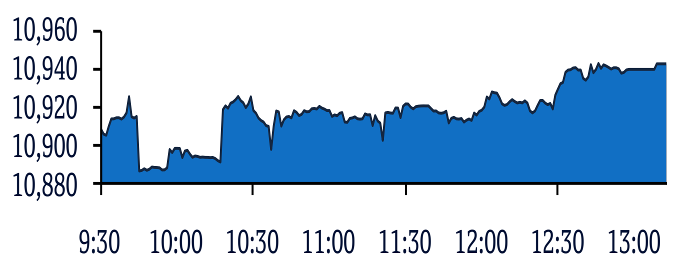
Daily Market Report

Tuesday, 04 May 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.3% to close at 10,942.9. Gains were led by the Real Estate and Industrials indices, gaining 1.1% and 0.8%, respectively. Top gainers were Widam Food Company and Doha Insurance Group, rising 6.6% and 4.0%, respectively. Among the top losers, Doha Bank fell 1.6%, while Qatar Industrial Manufacturing Company was down 1.5%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.5% to close at 10,309.4. Losses were led by the Pharma and Materials indices, falling 2.5% and 1.0%, respectively. Walaa Coop. Insurance Co. declined 5.2%, while SEDCO Capital REIT Fund was down 3.4%.

Dubai: The DFM Index gained 1.1% to close at 2,653.9. The Investment & Financial Services index rose 2.5%, while the Transportation index gained 2.0%. National Industries Group Holding rose 7.3%, while Emirates Refreshments Co. was up 5.9%.

Abu Dhabi: The ADX General Index gained 0.3% to close at 6,094.7. The Real Estate index rose 1.1%, while the Consumer Staples index rose 0.6%. National Corp Tourism & Hotel rose 4.4%, while Abu Dhabi Islamic Bank was up 2.9%.

Kuwait: The Kuwait All Share Index gained 0.3% to close at 6,180.5. The Technology index rose 1.9%, while the Insurance index gained 1.3%. National Consumer Holding Co. rose 39.3%, while Dar Al Thuraya Real Estate was up 34.5%.

Oman: The MSM 30 Index gained marginally to close at 3,789.5. Gains were led by the Industrial and Services indices, rising 0.3% and 0.1%, respectively. Al Madina Takaful Company rose 5.7%, while Raysut Cement Company was up 3.2%.

Bahrain: The BHB Index gained 0.6% to close at 1,493.9. The Industrial index rose 2.0%, while the Services index gained 1.8%. Takaful International Company and INOVEST Company were up 10.0% each.

Market Indicators	03 May 21	02 May 21	%Chg.
Value Traded (QR mn)	377.3	285.9	32.0
Exch. Market Cap. (QR mn)	631,849.9	629,770.5	0.3
Volume (mn)	141.5	171.0	(17.2)
Number of Transactions	7,532	6,186	21.8
Companies Traded	47	47	0.0
Market Breadth	27:15	9:35	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,662.20	0.3	0.3	8.0	18.6
All Share Index	3,454.79	0.3	0.2	8.0	19.2
Banks	4,511.91	(0.0)	0.1	6.2	15.7
Industrials	3,664.91	0.8	0.5	18.3	28.2
Transportation	3,469.58	0.1	(0.2)	5.2	23.2
Real Estate	1,915.17	1.1	0.6	(0.7)	18.2
Insurance	2,646.27	0.5	(0.2)	10.4	25.0
Telecoms	1,084.85	0.7	(0.3)	7.3	28.8
Consumer	8,321.50	0.4	(0.1)	2.2	29.6
Al Rayan Islamic Index	4,664.60	0.4	0.1	9.3	20.0

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Rabigh Refining & Petro.	Saudi Arabia	20.86	3.2	5,919.5	50.9
Abu Dhabi Islamic Bank	Abu Dhabi	4.96	2.9	6,908.3	5.5
Bahrain Telecom. Co.	Bahrain	0.60	2.7	385.5	0.0
Aluminium Bahrain	Bahrain	0.60	2.1	554.4	16.4
Kingdom Holding Co.	Saudi Arabia	8.33	1.8	4,142.1	4.8

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Sahara Int. Petrochemical	Saudi Arabia	26.35	(3.3)	3,886.7	52.1
Saudi British Bank	Saudi Arabia	29.25	(2.7)	618.4	18.3
SABIC Agri-Nutrients	Saudi Arabia	100.40	(2.3)	198.7	24.6
Saudi Kayan Petrochem.	Saudi Arabia	17.54	(1.9)	5,939.0	22.7
Banque Saudi Fransi	Saudi Arabia	37.00	(1.9)	403.3	17.1

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%
Widam Food Company	4.82	6.6	3,123.5	(23.8)
Doha Insurance Group	2.06	4.0	908.8	48.0
Qatar Cinema & Film Distribution	4.10	3.8	1.5	2.7
QLM Life & Medical Insurance	5.15	2.8	2,881.1	32.1
United Development Company	1.63	2.3	2,408.8	(1.8)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Doha Bank	2.52	(1.6)	2,650.2	6.4
Qatar Industrial Manufacturing	2.90	(1.5)	329.6	(9.6)
Mannai Corporation	3.90	(1.3)	83.9	30.0
Qatar Electricity & Water Co.	17.07	(0.8)	119.7	(4.4)
Al Meera Consumer Goods Co.	19.00	(0.7)	151.7	(8.3)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.88	1.3	29,956.3	34.6
Qatar Aluminium Manufacturing	1.56	0.2	21,880.1	61.0
Mazaya Qatar Real Estate Dev.	1.15	0.0	10,728.3	(8.9)
Qatar Oman Investment Company	0.96	1.1	10,264.6	8.0
Investment Holding Group	1.11	(0.4)	6,275.2	85.1

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.98	0.0	42,904.8	0.8
Industries Qatar	13.68	1.7	41,288.3	25.9
Qatar Aluminium Manufacturing	1.56	0.2	34,009.7	61.0
Masraf Al Rayan	4.48	0.3	27,649.5	(1.1)
Salam International Inv. Ltd.	0.88	1.3	26,270.8	34.6

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*	10,942.94	0.3	0.3	0.3	4.9	101.55	170,409.9	18.6	1.6	2.7
Dubai	2,653.88	1.1	1.9	1.9	6.5	78.05	100,416.9	20.5	0.9	3.2
Abu Dhabi	6,094.73	0.3	0.8	0.8	20.8	370.56	241,362.8	22.9	1.7	4.3
Saudi Arabia	10,309.37	(0.5)	(1.1)	(1.1)	18.6	2,080.64	2,564,534.8	31.0	2.3	2.1
Kuwait	6,180.52	0.3	1.1	1.1	11.4	208.71	117,150.8	51.5	1.5	2.3
Oman	3,789.46	0.0	0.8	0.8	3.6	10.37	17,121.8	11.4	0.7	4.8
Bahrain	1,493.90	0.6	0.6	0.6	0.3	4.60	22,930.0	31.1	1.0	2.3

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 0.3% to close at 10,942.9. The Real Estate and Industrials indices led the gains. The index rose on the back of buying support from Arab and Foreign shareholders despite selling pressure from Qatari and GCC shareholders.
- Widam Food Company and Doha Insurance Group were the top gainers, rising 6.6% and 4.0%, respectively. Among the top losers, Doha Bank fell 1.6%, while Qatar Industrial Manufacturing Company was down 1.5%.
- Volume of shares traded on Monday fell by 17.2% to 141.5mn from 171.0mn on Sunday. Further, as compared to the 30-day moving average of 293.6mn, volume for the day was 51.8% lower. Salam International Investment Limited and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 21.2% and 15.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	32.93%	40.23%	(27,546,917.1)
Qatari Institutions	24.61%	32.97%	(31,540,578.0)
Qatari	**57.54%**	**73.19%**	**(59,087,495.0)**
GCC Individuals	0.64%	0.65%	(26,590.2)
GCC Institutions	3.49%	5.88%	(9,021,926.4)
GCC	**4.13%**	**6.53%**	**(9,048,516.6)**
Arab Individuals	8.12%	7.73%	1,464,019.0
Arab	**8.12%**	**7.73%**	**1,464,019.0**
Foreigners Individuals	3.66%	2.56%	4,152,949.4
Foreigners Institutions	26.55%	9.99%	62,519,043.2
Foreigners	**30.21%**	**12.54%**	**66,671,992.6**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2021	% Change YoY	Operating Profit (mn) 1Q2021	% Change YoY	Net Profit (mn) 1Q2021	% Change YoY
United Electronics Co.	Saudi Arabia	SR	1,364.3	10.7%	96.2	89.7%	81.2	134.1%
Tabuk Cement Co.	Saudi Arabia	SR	77.0	2.0%	11.1	-4.2%	7.1	-75.6%
Northern Region Cement Co.	Saudi Arabia	SR	161.9	-10.2%	36.4	17.6%	31.9	15.4%
Saudi Cement Co.	Saudi Arabia	SR	429.1	-4.7%	124.7	-21.0%	119.4	-19.6%
BH Mubasher	Dubai	AED	13.1	76.4%	2.3	N/A	2.3	N/A
Ras Al Khaimah Cement Co.	Abu Dhabi	AED	47.3	28.4%	–	–	(3.6)	N/A
Rak Properties	Abu Dhabi	AED	124.3	243.9%	–	–	64.1	432.7%
Abu Dhabi Nat. Insurance Co.	Abu Dhabi	AED	1,897.5	1.2%	–	–	133.6	9.0%

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05/03	US	Markit	Markit US Manufacturing PMI	Apr	60.5	60.7	60.6
05/03	US	Institute for Supply Management	ISM Manufacturing	Apr	60.7	65.0	64.7
05/03	US	Institute for Supply Management	ISM Prices Paid	Apr	89.6	86.0	85.6
05/03	US	Institute for Supply Management	ISM New Orders	Apr	64.3	69.5	68
05/03	EU	Markit	Markit Eurozone Manufacturing PMI	Apr	62.9	63.3	63.3
05/03	Germany	Markit	Markit/BME Germany Manufacturing PMI	Apr	66.2	66.4	66.4
05/03	France	Markit	Markit France Manufacturing PMI	Apr	58.9	59.2	59.2
05/03	India	Markit	Markit India PMI Mfg	Apr	55.5	–	55.4

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 1Q2021 results	No. of days remaining	Status
QGRI	Qatar General Insurance & Reinsurance Company	–	–	Due

Source: QSE

Qatar

- **EFG-Hermes: QIGD expects to attract inflow of $2.3mn –** Qatari Investors Group (QIGD) is expected to attract inflow of $2.3mn, following a periodical index review by compiler MSCI next month, according to estimates by EFG-Hermes. It is to be noted that MSCI's May review will be announced on May 11, with results effective as of the close of May 27. (Bloomberg)
- **AKHI announces an increase of wakala fees –** Al Khaleej Takaful Insurance Company (AKHI) announced that the Fatwa and Shari'ah Supervisory Board has approved the increase of wakala fees to 26% instead of 21% from May 1, 2021 to December 31, 2021 which will have a positive impact on shareholders' profits. (QSE)
- **ZHCD to hold its investors relation conference call on May 06 –** Zad Holding Company (ZHCD) announced that the conference call with the investors to discuss the financial results for 1Q2021 will be held on May 06, 2021 at 01:30 pm, Doha Time. (QSE)
- **QIBK is first bank in Qatar to launch AI virtual assistant 'Zaki' –** Qatar Islamic Bank (QIBK) is the first bank in Qatar to launch a conversational virtual assistant armed with proprietary artificial intelligence (AI) and machine learning algorithms. 'Zaki', meaning smart, is an additional communication channel for QIBK website visitors to interact with the bank. The newly launched chatbot service is part of QIBK's ongoing efforts to provide innovative digital solutions to empower its customers and meet their ever-changing banking needs. Zaki is designed to provide relevant and contextual responses to QIBK existing and new customers' queries in a more convenient and instant manner. Developed with customers' daily banking requirements in mind, Zaki will allow customers to interact with the bank 24/7, and receive information or advice on their enquiries directly through AI and machine learning algorithms without the need to visit a branch or call the QIBK call centre. (Gulf-Times.com)
- **Shura recommends extension of COVID economic packages –** The Shura Council has recommended continuation of the government economic packages program as the COVID-19 pandemic and its economic impact is likely to continue for long. The Shura Council, under the chairmanship of Deputy Speaker HE Mohammed bin Abdullah Al Sulaiti, discussed the report of the Financial and Economic Affairs Committee on study of the situation of small and medium enterprises (SMEs) in light of the support provided by His Highness the Amir of State of Qatar Sheikh Tamim bin Hamad Al Thani to these enterprises during pandemic. The Shura Council hailed HH the Amir's support for the private sector through the ongoing economic packages that began with the start of the pandemic. The first economic package in 2020 significantly contributed to reducing the effects of the pandemic on SMEs in the affected sectors, in addition to providing exemptions for companies for a period of six months on public utility payments and rents for logistical areas. (Qatar Tribune, Gulf-Times.com)
- **QCB: Credit to government, consumption sectors drives loan growth for Qatar banks –** The credit to the government and consumption sectors was seen outpacing the overall loan growth in Qatar's commercial banks on a yearly basis in March this year, according to the central bank data. The credit to the real estate sector, which is the second largest component in the credit portfolio of the commercial banks, saw a robust growth; hinting at the rebound of the non-hydrocarbons private sector. The Qatar Central Bank (QCB) data showed that total domestic credit grew 8.64% YoY to QR1.1tn at the end of March 31, 2021. The strong credit pick-up is an indicator of the resilience in the private sector, whose growth has been corroborated by the purchasing managers' index of the Qatar Financial Centre. The commercial banks' credit to the government grew the fastest at 22.08% on a yearly basis to QR165.44bn in March 2021, which constituted more than 15% of the total credit in the review period. The consumption loans were seen expanding at 13.49% YoY to QR155.43bn in March 2021. The consumption credit to nationals amounted to QR144.63bn, which grew 18.42%; while that to non-Qataris shrank 27.51% to QR10.75bn. The auto loans to Qataris and non-Qataris were seen declining 31.35% and 26.67% YoY respectively to QR1.27bn and QR0.22bn this March. The personal loans to Qataris and non-Qataris fell 16.09% and 25.96% YoY to QR48.77bn and QR8.07bn respectively in the review period. The credit to the real estate was up 7.31% YoY to QR210.4bn, which was more than 19% of the total domestic credit in March 2021. A total of QR81.34bn was extended to developers, QR60.6bn to commercial housing, QR30.36bn to non-specified segment and QR11.6bn to land. The commercial banks' credit to the services sector saw an 8.25% yearly growth to QR337.09bn, which constituted more than 31% of the total domestic loans in March this year. The credit to the general services witnessed an 8.16% YoY jump to QR300.35bn, which was 89% of the total credit to the services sector in the review period. (Gulf-Times.com)
- **Quarantine requirement boosts occupancy of hotels –** The mandatory hotel quarantine requirement for those coming to Qatar has improved the occupancy rate in hospitality sector. During the fourth quarter more people resumed travelling as due to fall in COVID-19 restrictions that resulted in easing of restrictions. According to the Planning and Statistics Authority, the average hotel occupancy in 5 star hotel for fourth quarter of 2020 was around 49% while in Q4 Average Daily Rates (ADRs) and Revenue per Available Room were QR537 and QR263, respectively, noted a report released by Al-Asmakh Real Estate Development. "Mandatory hotel quarantine upon return to Qatar for nationals and residents has slightly boosted the overall occupancy compared to previous quarter," said Qatar Real Estate Q4, 2020 report released yesterday. Hotels will continue to reap the benefit over the next few quarters as Qatar has now announced new entry requirements for passengers arriving from six countries – Bangladesh, India, Nepal, Pakistan, the Philippines, and Sri Lanka – with travelers from these countries needing to enter extended periods of mandatory quarantine of 10 days. The hospitality sector of Qatar is expected to see around 1,000 rooms in the first half of this year. "Close to 1,000 keys that were due to open up in 2020 may release to public in the first half of 2021," added the report. According to the report, residential rental rates stabilized in the fourth quarter. Real estate is

focusing on property sale with lucrative offers and optional developer finance scheme. (Peninsula Qatar)

- **QFZA set to host Qatar's first laptop manufacturing facility –** Qatar Free Zones Authority (QFZA) on Monday announced the establishment of a state-of-the-art production facility in Umm Alhoul Free Zone to produce iLife-branded electronic devices. Built by a partnership between iLife Digital, a leading intelligent robotics and electronics company based in Florida, US, and Prime Technologies, a subsidiary of Ali Bin Ali Holding, iLife and Prime Technologies will use the 2,500 sqm factory to create innovative iLife-branded electronic devices including laptops, PCs, smartwatches and mobile phones, among others. The new space will help meet the growing demand for affordable electronic projects in the MENA region, and is the latest of many partnerships QFZs have orchestrated with the private sector. Production at the factory is expected to begin in August 2021, and will produce up to 350,000 electronics a year. In addition to the production of electronics, the factory will support logistics and R&D activities and feature a customer solution center. (Qatar Tribune)
- **Net-Zero Producers Forum to pave way for climate commitments –** The Gas Exporting Countries Forum (GECF, Forum) welcomes the announcement of the Net-Zero Producers Forum (NZPF), which formalized climate commitments of Canada, Norway, Qatar, Saudi Arabia, and the US. The GECF is proud that two of its members, Qatar and Norway, are part of this new platform, which will enable them to share their views on net-zero emissions, with inspiration from the GECF's vast body of scientifically-grounded work. Being a coalition of 19 leading producers and exporters of natural gas, jointly representing 70% of the proven gas reserves, 44% of its marketed production, 52% of pipeline and 51% of LNG exports, the Forum prioritizes fulfilling environmental obligations as its duty to the world. (Gulf-Times.com)

International

- **Fed's Powell says economic recovery clouded by racial, education gaps –** The US economy is doing better but is "not out of the woods yet," Federal Reserve Chair Jerome Powell said on Monday in remarks that flagged an upcoming central bank study documenting the disproportionate blow suffered by the less educated and working parents during the coronavirus downturn. There, Powell said, the Fed's annual Survey of Household Economic Decisionmaking (SHED), to be released later this month, put some firmer estimates around the disparate impacts of the pandemic, an issue he and other policymakers have focused on and pledged to build into their analysis of how the economic recovery is proceeding and when it might be complete. The report found that 22% of parents "were either not working or working less because of disruptions to childcare or in-person schooling," with the numbers even higher for Black and Hispanic mothers, at 36% and 30% respectively. About 20% of people aged 25 to 54 - the prime working years for US adults - without a four-year college degree were laid off in 2020, versus 12% for those with at least a bachelor's degree. About 14% of whites in their prime working years were laid off at some point last year compared to 20% or more for Blacks and Hispanics in that group, Powell said. (Reuters)
- **Supply chain bottlenecks amid roaring demand slow US manufacturing –** US manufacturing activity grew at a slower pace in April, restrained by shortages of inputs as rising vaccinations against COVID-19 and massive fiscal stimulus unleashed pent-up demand. The survey from the Institute for Supply Management (ISM) on Monday showed record-long lead times, wide-scale shortages of critical basic materials, rising commodities prices and difficulties in transporting products across industries. The pandemic, now in its second year, has severely disrupted supply chains. The ISM noted that "companies and suppliers continue to struggle to meet increasing rates of demand due to coronavirus impacts limiting availability of parts and materials." It cautioned that worker absenteeism, short-term shutdowns due to part shortages and difficulties in filling open positions could limit manufacturing's growth potential. "Manufacturing is struggling to keep up with roaring demand," said Will Compernolle, a senior economist at FHN Financial in New York. The ISM's index of national factory activity fell to a reading of 60.7 last month after surging to 64.7 in March, which was the highest level since December 1983. A reading above 50 indicates expansion in manufacturing, which accounts for 11.9% of the US economy. Economists polled by Reuters had forecast the index edging up to 65 in April. The White House's massive $1.9tn pandemic relief package and the expansion of the COVID-19 vaccination program to all adult Americans have led to a boom in demand, which is pushing against supply constraints. Federal Reserve Chair Jerome Powell said last week the US central bank expected the bottlenecks would be resolved as workers and businesses adapted and "we think of them as not calling for a change in monetary policy." Inventories at factories and customers are extremely lean, which should keep production humming. (Reuters)
- **US construction spending rebounds less than expected in March –** US construction spending rebounded far less than expected in March as strength in housing was offset by continued weakness in outlays on nonresidential structures and public projects. The Commerce Department said on Monday that construction spending gained 0.2% after falling 0.6% in February. Economists polled by Reuters had forecast construction spending surging 1.9%. Construction spending, which accounts for about 4% of GDP, increased 5.3% on a YoY basis in March. The government reported last week that the economy grew at a 6.4% annualized rate last quarter. That was the second-fastest GDP growth pace since the third quarter of 2003 and followed a 4.3% rate in the fourth quarter. Tepid construction spending likely has no impact on economists' expectations for double-digit GDP growth in the second quarter, fueled by massive fiscal stimulus and improving public health as more Americans get vaccinated against COVID-19. Spending on private construction projects rose 0.7% in March, lifted by investment in single-family homebuilding. There is strong demand for housing but supply has lagged amid expensive building materials as well as land and labor shortages. That followed a 0.3% drop in February. Spending on residential projects surged 1.7% in March after edging up 0.1% in February. But outlays on private nonresidential construction like gas and oil well drilling fell 0.9% in March. Business investment in nonresidential structures fell in the first quarter for the sixth straight quarter as a rebound in mining exploration, shafts and wells was offset by a drop in commercial and healthcare

buildings. Spending on public construction projects dropped 1.5% in March after declining 1.6% in February. State and local government outlays decreased 1.4%, while federal government spending declined 2.1%. (Reuters)

- **US manufacturing sector slows in April amid supply challenges –** US manufacturing activity grew at a slower pace in April, likely constrained by shortages of inputs amid pent-up demand unleashed by rising vaccinations and massive fiscal stimulus. The Institute for Supply Management (ISM) said on Monday its index of national factory activity fell to a reading of 60.7 last month after surging to 64.7 in March, which was the highest level since December 1983. A reading above 50 indicates expansion in manufacturing, which accounts for 11.9% of the US economy. Economists polled by Reuters had forecast the index edging up to 65 in April. The White House's massive $1.9tn pandemic relief package and the expansion of the COVID-19 vaccination program to all adult Americans has led to a boom in demand. But the pent-up demand is pushing against supply constraints as the pandemic, now in its second year, has disrupted labor supply, leading to shortages that are boosting prices of inputs. That has been most evident in the automobile industry, where a global semiconductor chip shortage has forced cuts in production. Ford Motor Co said last week the scarcity of chips slashed production in half in its second quarter. Technology companies are also feeling the heat. Apple warned last week that the chip shortage could dent iPads and Mac sales by several billion dollars. Demand for goods like motor vehicles and electronics has surged during the pandemic as Americans shunned public transportation and millions worked from home and took classes remotely. Robust consumer spending helped to lift gross domestic product growth at a 6.4% annualized rate in the first quarter. Most economists expect double-digit GDP growth this quarter, which would position the economy to achieve growth of at least 7%, which would be the fastest since 1984. The economy contracted 3.5% in 2020, its worst performance in 74 years. The ISM survey's measure of prices paid by manufacturers rose last month to the highest reading since July 2008. The survey's forward-looking new orders sub-index dropped to 64.3 after racing to 68.0 in March, which was the highest reading since January 2004. (Reuters)
- **UK and India announce $1.4bn investment boost, step closer to trade deal –** Britain and India announced 1bn Pounds ($1.39bn) of private-sector investment and committed to seek a free trade deal ahead of a virtual meeting between Prime Minister Boris Johnson and Indian leader Narendra Modi. The meeting replaces an in-person visit Johnson had planned to make last month to deepen cooperation as Britain seeks new trading partners after leaving the European Union. That visit was cancelled due to surging COVID-19 cases in India. "Like every aspect of the UK-India relationship, the economic links between our countries make our people stronger and safer," Johnson said in a statement. The British government set out 533mn Pounds of Indian investment into Britain, including 240mn by the Serum Institute for its vaccines and sales business, and 446mn Pounds of export deals for British businesses. Some of the investments listed had already been made public. British estimates combined with data from the firms involved, showed the deals would create more than 6,500 jobs in Britain. The two countries will also finalize an 'Enhanced Trade Partnership' that will lift export barriers on goods ranging from British apples to medical devices, and took steps to open up India's legal services sector to UK firms. The partnership deal is seen as a step towards a full free-trade agreement that Britain hopes will by 2030 double bilateral trade from its current level of around 23bn Pounds per year. "In the decade ahead, with the help of new Partnership signed today and a comprehensive Free Trade Agreement, we will double the value of our trading partnership with India and take the relationship between our two countries to new highs," Johnson said. (Reuters)
- **PMI: Eurozone factories raced ahead in April, prices jumped –** Eurozone factory activity growth surged to a record high in April, boosted by burgeoning demand and driving a rise in hiring, although supply constraints led to an unprecedented rise in unfulfilled orders, a survey showed. While a third wave of coronavirus infections in Europe has forced some governments to shutter much of their dominant service industries, factories have largely remained open. IHS Markit's final Manufacturing Purchasing Managers' Index (PMI) rose to 62.9 in April from March's 62.5, albeit below the initial 63.3 "flash" estimate but the highest reading since the survey began in June 1997. An index measuring output, which feeds into a composite PMI due on Wednesday and that is seen as a good guide to economic health, edged down from March's record high of 63.3 to 63.2. Anything above 50 indicates growth. The backlogs of work index soared to 61.5 from 60.4, a survey high. French manufacturing growth eased off a little from March's peak as bottlenecks weighed on the recovery but Italian factory activity grew at its fastest rate on record, sister surveys showed. German factories have been humming along during the pandemic, almost undisturbed by the related lockdowns, and activity accelerated in Europe's biggest economy early this year on strong demand from the US and China. Its latest PMI was only just below March's high at 66.4. China's factory activity growth slowed and missed forecasts as supply bottlenecks and rising costs weighed on production, a survey showed on Friday, while figures due later on Monday are expected to show an acceleration in US factory growth. (Reuters)
- **IHS Markit: Brazil manufacturing PMI falls to 10-month low in April –** Growth in Brazil's manufacturing sector decelerated in April to its slowest rate since June last year, a survey of purchasing managers' activity showed, and prices charged to customers rose towards their recent historic highs. While a brutal second wave of the COVID-19 pandemic weighed on overall activity, employment rose and companies were more optimistic about future conditions, IHS Markit's latest purchasing managers index (PMI) report showed. The headline PMI fell to 52.3 in April from 52.8 in March, the lowest since last June. A reading above 50.0 marks expansion, while a reading below signifies contraction. The series was launched in 2006. IHS Markit's employment index rose back above the 50.0 threshold, to 51.8 from 48.5, while the future output index rose, IHS Markit said. The output prices index, which measures prices charged to customers, rose to the third highest in series history and close to the top two readings from last year. Consumer price inflation in Brazil is running at more than 6%, well above the central bank's year-end target of 3.75%. The central bank is widely expected to raise interest rates next week by 75 basis points for a second time. Meanwhile, Brazil posted a trade

surplus of $10.3bn in April, figures showed, below the Reuters forecast for an $11.4bn surplus in the period. (Reuters)

- **Fed survey: Banks eased standards for business, household loans in first quarter –** Loan officers at US banks reported easing standards on most business and household loans in the first three months of the year as more of the country reopened amid accelerating vaccination rates. Standards on commercial real estate loans remained basically unchanged, while banks reported tighter standards for construction and land development loans, according to loan officers responding to the Federal Reserve survey released. Demand, meanwhile, was weaker for business loans to large and mid-sized firms, and for nonfarm nonresidential loans, and was unchanged for business loans to smaller firms; while demand for construction, land development and multifamily loans rose, the survey showed. The US economy grew an annualized 6.4% in the first quarter, powered by consumer spending. The Fed survey showed that during the first quarter demand for home loans strengthened, while demand for credit card and other consumer loans remained unchanged. Despite the recent easing trend, banks since the start of the pandemic have overall tightened both business and consumer credit policies, as well as for commercial real estate loans, the Fed reported. Big banks eased credit policies on loans to large, investment-grade firms, and small banks tightened standards especially for small and below-investment-grade firms. (Reuters)

Regional

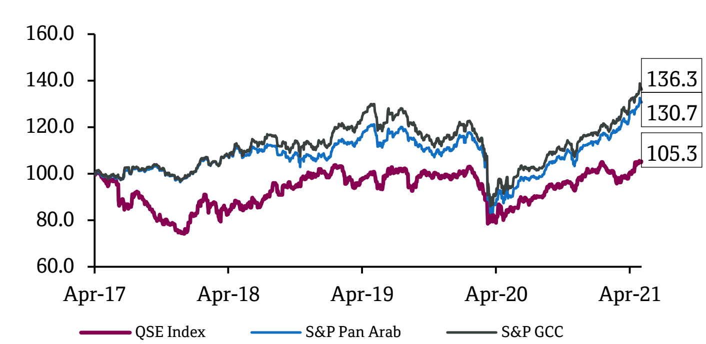
- **EFG-Hermes: FAB, ADNOC Distribution to lead flows on MSCI review –** First Abu Dhabi Bank (FAB) and ADNOC Distribution are expected to attract flows of $487mn and $228mn, respectively, following a periodical index review by compiler MSCI next month, according to estimates by EFG-Hermes. It is to be noted that MSCI's May review will be announced on May 11, with results effective as of the close of May 27. Also in the UAE, Emaar Mall's deletion from benchmark to trigger outflows of $98mn if FAB's foreign inclusion factor is increased to 40%, Head of data and index research, Ahmed El Difrawy said. Agthia inflows is estimated at $6.3mn. Forecasts for other Middle Eastern markets include Saudi Arabia's Mouwasat with inflow of +$150mn, Saudi National Petrochemical +$119mn, Dr Sulaiman Al Habib Medical Services +$92mn, Catering -$52mn, Riyadh Cement Company +$6mn. From Egypt, ElSewedy -$24mn, Fawry +$50mn, Abou Kir Fertilizers +$7mn, Heliopolis Housing -$1mn, Ibnsina Pharma -$1mn. From Kuwait, Gulf Bank -$68mn, ABK -$5mn; Jazeera -$1.1mn, Burgan Bank +$6.3mn, Boursa Kuwait +$4mn, Alafco +$2mn. (Bloomberg)
- **OPEC's share of Indian oil imports plunges to two decade low –** OPEC's share of India's oil imports fell to the lowest in at least two decades in the year to the end of March as overall purchases by Asia's third largest economy fell to a six-year low, data obtained from industry and trade sources showed. Total crude imports by the world's third-biggest oil importer fell to 3.97mn bpd in the 2021 fiscal year to March 31, down 11.8% from a year earlier, the data showed. India bought more US and Canadian oil at the expense of that from Africa and the Middle East, reducing purchases from members of the Organization of the Petroleum Exporting Countries to around 2.86 million barrels per day and squeezing the group's share of imports to 72% from around 80% previously. That is the lowest share since at least the 2001/02 fiscal year, before which crude import data is not available. India's refiners are diversifying purchases to boost margins, having upgraded plants to process cheaper tougher crude grades, but refinery runs were hit as the pandemic curbed fuel consumption. (Reuters)
- **S&P: Global Islamic finance forecast to grow as main markets recover –** The $2.2tn global Islamic finance industry is expected to grow 10%-12% over 2021-2022 due to increased Islamic bond issuance and a modest economic recovery in the main Islamic finance markets, S&P said. The industry continued to grow last year despite the COVID-19 pandemic, although at a lower pace than in 2019, with global Islamic assets expanding by 10.6% in 2020 against growth of 17.3% the previous year. Islamic finance, which bans interest payments and pure monetary speculation, has been on the rise for many years across markets in Africa, the Middle East and Southeast Asia, but it remains a fragmented industry with uneven implementation of its rules. "Over the next 12 months, we could see progress on a unified global legal and regulatory framework for Islamic finance ... we believe that such a framework could help resolve the lack of standardization and harmonization that the Islamic finance industry has faced for decades," S&P said on Monday. The industry is expected to receive some support in the coming two years in Saudi Arabia, where mortgages and corporate lending are expected to rise as the country pushes ahead with plans to diversify the economy. Investments in Qatar for the 2022 soccer World Cup and the Expo event in Dubai later this year are also expected to support growth. The ratings agency forecast global issuance of Islamic bonds, or Sukuk, to reach $140bn-$155bn this year, up from roughly $140bn in 2020, thanks to abundant liquidity and sustained financing needs among corporates and governments. (Reuters)
- **Resilience of corporate debt in emerging markets expected to continue with Middle East recording lowest default level –** The percentage of Emerging Market firms defaulting on debts due to the impact of the pandemic is expected to be lower than in many mature markets, according to Aberdeen Standard Investments (ASI). While the COVID-19 pandemic has posed serious challenges that have affected all industries in some shape or form. Despite the continuing negative impact of the pandemic, investment experts at the firm believe there are some good reasons why this EM corporate resilience should be sustained in 2021 and beyond. Investment Director, Emerging Market Corporate Debt, Aberdeen Standard Investments, Kathy Collins said: "The ongoing COVID-19 pandemic has severely impacted economic growth and business activity throughout the world. Reduced revenues and profits have made debt servicing more challenging for more companies and this is reflected in more distressed credits and rising corporate default rates. "EM corporate debt has not been immune to this trend. However, concerns that emerging market debt issuers might be particularly exposed in this respect are misplaced. Historically the EM corporate debt market has been relatively resilient to past major crises, and this is also evident in default data from the pandemic-hit 2020." In 2020, the MEA region reported the lowest number of defaults and many of its currencies are expected to be less affected by global currency weaknesses as they are managed or pegged to the US dollar. According to a report –

'Default Trends – Global', published by Moody's earlier this year, a total of 211 rated corporate issuers defaulted in 2020, more than double the tally (105) for 2019. MEA had the lowest number with just two, followed by Latin America (13) and Asia-Pacific (17) while 141 and 38 corporate defaults were recorded in America and Europe, respectively. This is against a backdrop of debt issuance by MENA governments reaching an all-time high of $120.7bn in 2020 and GCC members crossing the $100bn mark for the first time for issuances, with the $10bn raised by Qatar's Ministry of Finance being the largest. The UAE and KSA were the most active issuing countries having secured $40.6bn and $31.4bn in bond proceeds, respectively. (Zawya)

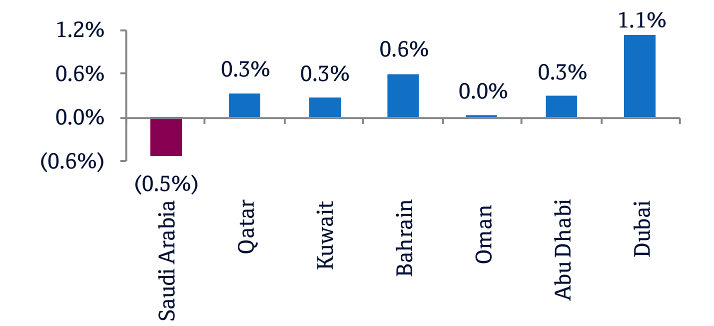
- **Saudi Arabia could ease fiscal adjustment to help recovery, IMF says –** Saudi Arabia's plans to balance its finances are making good progress but a slower pace of adjustment could be considered this year to support the recovery from the coronavirus crisis, the International Monetary Fund (IMF) said on Monday. Saudi Arabia's economy, the largest in the Arab world, is expected to grow 2.1% in 2021 after shrinking 4.1% last year amid the twin shock of the pandemic and lower oil prices, the IMF said in a report. The forecast figure is lower than a 2.9% real GDP growth estimate the IMF published last month due to a downward revision of Saudi oil GDP, now expected to contract by 0.5% this year, against an earlier 1.6% growth estimate. This was due to production levels agreed by the Organization of the Petroleum Exporting Countries, Russia and their allies, a group known as OPEC+, said the Fund. Non-oil GDP - a measure of the progress of Saudi reforms aimed at weaning the economy off oil revenues - is slated to grow 3.9% this year, the IMF said, confirming its April forecast. The IMF expects Saudi Arabia to bring down its fiscal deficit to 4.2% of GDP this year from 11.3% of GDP last year. "The VAT rate increase, the removal of the Cost-of-Living Allowances, the increased focus on the efficiency of capital spending, and planned further domestic energy price reforms are all important contributors to the planned fiscal adjustment and should not be reversed or delayed," said the Fund. But it said that while fiscal consolidation was needed, "a slower pace of adjustment could be considered this year to provide further support to the recovery." In particular, spending should increase to support low-income households and help offset the loss of purchasing power after the measures introduced last year, it said. (Reuters)
- **Saudi Almarai to spend $1.76bln in massive poultry expansion –** Saudi Arabia's Almarai, the largest dairy producer in the Middle East, will invest $1.76bn to expand its poultry segment and double its market share. Almarai's board approved the capital expenditure the company said in a statement on Monday to the Saudi stock exchange, Tadawul, where it is listed. The five-year strategic expansion will be funded through internal cash flows. The investments will include the development of grandparent farming and production facilities to enable full vertical integration of poultry supplies. Expansions will focus on different geographical locations in the Kingdom to enhance the biosecurity, as well as to diversify Almarai's contribution to the country's economic development, it said. The moves come as part of the private sector's efforts to develop the national economy, in line with the Saudi Vision 2030 and to enhance food security in the Kingdom. (Zawya)
- **Saudi Arabia plans sale of grain Silos as privatizations pick up –** Saudi Arabia, one of the world's biggest buyers of wheat and barley, is preparing to sell some of its grain Silos as part of Crown Prince, Mohammed Bin Salman's privatization drive. State-owned Saudi Grains Organization aims to start selling silo sites as soon as this year, according to sources. SAGO will seek bids from foreign and local firms, sources said. No decisions have been made and SAGO may retain the assets, they said. (Bloomberg)
- **Abu Dhabi Developer Aldar to Invest in Fifth Wall 'Proptech' Fund –** Abu Dhabi developer Aldar Properties plans to invest in Fifth Wall's European Real Estate Technology Fund to tap the venture capital firm's network of so-called Proptech businesses, it said on Monday without disclosing the size of the investment. Aldar said the investment in the US firm is aimed at gaining access to the latest technologies and trends driving the evolution of the real estate sector. This access will provide Aldar with vital insights to inform its business decisions and identify solutions and potential enhancements to the group's various businesses, its statement said. (Reuters)
- **Kuwaiti bars unvaccinated citizens from travel abroad –** Kuwaiti citizens who have not been vaccinated against COVID-19 will not be able to travel abroad from May 22, the information ministry said on Monday. The ban does not include people in age groups not eligible to receive vaccinations against the coronavirus. A previous directive banning the entry of non-Kuwaitis into the Gulf state still stands, the statement said. (Reuters)
- **Ooredoo Kuwait collaborates with Nokia to boost its home internet service with 5G Fixed Wireless Access –** Ooredoo Telecom, the first to introduce innovative digital services in Kuwait, has announced its collaboration with Nokia, a trusted partner for critical networks, in which Nokia will be supplying Ooredoo Kuwait 5G Fixed Wireless Access (FWA) equipment for the operator's customer premises. An early pioneer of FWA, Ooredoo is now offering the Nokia FastMile 5G Gateway as a premium internet device for residential and business customers. Ooredoo Kuwait is using FWA to extend the reach of its fiber network to premises not easily connected with direct fiber lines. This will support the company to significantly increase its fixed broadband customer base across the country. Nokia's self-installable 5G FWA gateway incorporates Wi-Fi 6 with self-optimizing mesh technology to optimize performance in real time and includes advanced antenna designs with higher throughput and better coverage resulting in improved customer experience and a lower operational cost for Ooredoo. Director of Network Planning and Design, Ooredoo Kuwait, Essa Haider said: "5G Fixed Wireless Access is essential for Kuwait's economic growth and diversification, and we're delighted to be partnering with Nokia for this." (Zawya)
- **Kuwait's March consumer prices rise 3.20% YoY –** Kuwait's consumer prices rose 3.20% in March YoY, according to the Central Statistical Bureau. Consumer prices rose 0.25% MoM. (Bloomberg)
- **Oman sells OMR71.4mn 28-day bills at yield 0.652% –** Oman sold OMR71.4mn of -day bills due on June 2, 2021. The bills were sold at a price of 99.95, have a yield of 0.652% and will settle on May 5, 2021. (Bloomberg)

- **Bahrain sells BHD200mn of 3.6% 2026 bonds; bid-cover 2.75 –** Bahrain sold BHD200mn of 2026 bonds due on May 5, 2026. Investors offered to buy 2.75 times the amount of securities sold. The bonds will settle on May 5, 2021. (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 1.64x –** Bahrain sold BHD70mn of 91-day bills due on August 4, 2021. Investors offered to buy 1.64 times the amount of securities sold. The bills were sold at a price of 99.584, have a yield of 1.65% and will settle on May 5, 2021. (Bloomberg)

Rebased Performance	Daily Index Performance



Source: Bloomberg



Source: Bloomberg

Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,792.88	1.3	1.3	(5.6)
Silver/Ounce	26.91	3.8	3.8	1.9
Crude Oil (Brent)/Barrel (FM Future)	67.56	0.5	0.5	30.4
Crude Oil (WTI)/Barrel (FM Future)	64.49	1.4	1.4	32.9
Natural Gas (Henry Hub)/MMBtu	2.95	2.8	2.8	23.4
LPG Propane (Arab Gulf)/Ton	80.38	(1.4)	(1.4)	6.8
LPG Butane (Arab Gulf)/Ton	83.75	(0.6)	(0.6)	20.5
Euro	1.21	0.4	0.4	(1.2)
Yen	109.07	(0.2)	(0.2)	5.6
GBP	1.39	0.6	0.6	1.8
CHF	1.10	0.2	0.2	(2.9)
AUD	0.78	0.6	0.6	0.9
USD Index	90.95	(0.4)	(0.4)	1.1
RUB	75.21	0.0	0.0	1.1
BRL	0.18	(0.1)	(0.1)	(4.5)

Source: Bloomberg (*$ adjusted returns; #Market was closed on May 3, 2021)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,948.67	0.3	0.3	9.6
DJ Industrial	34,113.23	0.7	0.7	11.5
S&P 500	4,192.66	0.3	0.3	11.6
NASDAQ 100	13,895.12	(0.5)	(0.5)	7.8
STOXX 600	439.92	0.8	0.8	8.7
DAX	15,236.47	0.9	0.9	8.9
FTSE 100#	6,969.81	0.0	0.0	9.3
CAC 40	6,307.90	0.8	0.8	12.0
Nikkei#	28,812.63	0.0	0.0	(0.8)
MSCI EM	1,338.89	(0.6)	(0.6)	3.7
SHANGHAI SE Composite#	3,446.86	0.0	0.0	0.0
HANG SENG	28,357.54	(1.3)	(1.3)	4.0
BSE SENSEX	48,718.52	0.1	0.1	1.0
Bovespa	119,209.50	0.4	0.4	(4.3)
RTS#	1,485.03	0.0	0.0	7.0

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