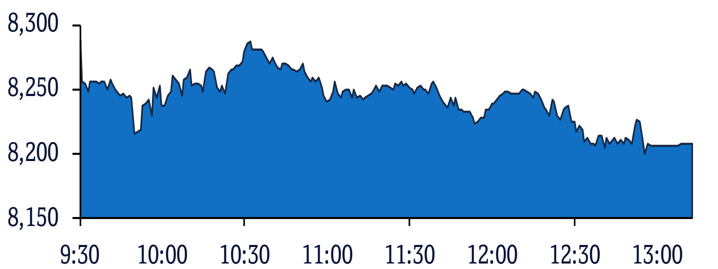
Daily Market Report

Wednesday, 01 April 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.9% to close at 8,207.2. Losses were led by the Banks & Financial Services and Consumer Goods & Services indices, falling 1.7% each. Top losers were Widam Food Company and Ezdan Holding Group, falling 7.0% and 6.1%, respectively. Among the top gainers, United Development Company gained 6.2%, while Islamic Holding Group was up 5.7%.

GCC Commentary

Saudi Arabia: The TASI Index gained 2.1% to close at 6,505.4. Gains were led by the Health Care Equip. and Telecom. Serv. indices, rising 5.3% and 5.2%, respectively. Wataniya Insurance Co rose 10.0%, while Mouwasat Medical Services was up 9.6%.

Dubai: The DFM Index fell 1.0% to close at 1,771.3. The Real Estate & Construction index declined 3.5%, while the Consumer Staples and Discretionary index fell 3.0%. Gulf Navigation Holding declined 5.0%, while Emaar Development was down 4.8%.

Abu Dhabi: The ADX General Index fell 0.3% to close at 3,734.7. The Banks index declined 2.0%, while the other indices ended flat or in green. Abu Dhabi Ship Building Co. and Abu Dhabi Commercial Bank were down 4.9% each.

Kuwait: The Kuwait All Share Index gained 1.3% to close at 4,822.7. The Oil & Gas index rose 8.5%, while the Consumer Goods index gained 5.6%. Livestock Transport & Trading Co. rose 17.8%, while National Petroleum Services Co. was up 15.8%.

Oman: The MSM 30 Index fell 0.6% to close at 3,448.3. Losses were led by the Industrial and Financial indices, falling 1.7% and 1.4%, respectively. Gulf Hotels Oman Co. Limited declined 10.0%, while Oman Refreshment was down 9.1%.

Bahrain: The BHB Index fell 0.4% to close at 1,350.6. The Commercial Banks index declined 0.5%, while the Investment index fell 0.2%. BBK declined 1.0%, while Ahli United Bank was down 0.7%.

Market Indicators	31 Mar 20	30 Mar 20	%Chg.
Value Traded (QR mn)	443.5	374.3	18.5
Exch. Market Cap. (QR mn)	460,540.8	466,618.0	(1.3)
Volume (mn)	149.8	122.5	22.2
Number of Transactions	11,842	11,070	7.0
Companies Traded	46	46	0.0
Market Breadth	14:30	8:35	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	15,695.17	(0.9)	(3.2)	(18.2)	12.2
All Share Index	2,545.91	(1.2)	(3.4)	(17.9)	13.5
Banks	3,698.48	(1.7)	(3.7)	(12.4)	12.8
Industrials	2,042.59	(1.4)	(4.1)	(30.3)	14.9
Transportation	2,237.51	1.4	0.2	(12.4)	11.7
Real Estate	1,221.32	1.3	(1.6)	(22.0)	10.8
Insurance	2,002.43	(0.0)	(1.5)	(26.8)	34.9
Telecoms	755.17	1.8	(5.2)	(15.6)	13.0
Consumer	6,584.36	(1.7)	(3.6)	(23.8)	15.4
Al Rayan Islamic Index	3,117.43	(0.5)	(2.4)	(21.1)	13.3

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mouwasat Medical Serv.	Saudi Arabia	83.50	9.6	261.5	(5.1)
Bank Al Bilad	Saudi Arabia	20.44	6.8	3,159.0	(24.0)
Saudi Telecom Co.	Saudi Arabia	87.50	5.3	1,568.1	(14.0)
Co. for Cooperative Ins.	Saudi Arabia	60.60	5.2	462.7	(21.0)
Kingdom Holding Co.	Saudi Arabia	6.35	5.0	1,023.5	(15.9)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ominvest	Oman	0.32	(7.0)	57.8	(5.9)
Abu Dhabi Comm. Bank	Abu Dhabi	4.63	(4.9)	9,822.6	(41.5)
Emaar Properties	Dubai	2.22	(4.7)	32,725.3	(44.8)
Bank Dhofar	Oman	0.09	(3.2)	231.6	(26.8)
DP World	Dubai	15.01	(3.2)	223.2	14.6

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%
United Development Company	0.99	6.2	10,301.3	(34.9)
Islamic Holding Group	1.35	5.7	771.4	(29.0)
Al Khalij Commercial Bank	1.23	2.7	180.5	(6.3)
Qatar Gas Transport Company Ltd.	2.10	2.4	2,538.3	(12.2)
Ooredoo	5.87	2.2	6,770.2	(17.1)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Widam Food Company	5.17	(7.0)	1,140.6	(23.6)
Ezdan Holding Group	0.53	(6.1)	16,714.1	(14.5)
Doha Bank	1.80	(5.9)	15,929.1	(28.9)
Qatar Oman Investment Co.	0.41	(4.9)	188.7	(39.3)
Ahli Bank	3.35	(4.3)	150.0	0.5

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.53	(6.1)	16,714.1	(14.5)
Doha Bank	1.80	(5.9)	15,929.1	(28.9)
Qatar Aluminium Manufacturing	0.53	1.2	15,870.7	(32.8)
United Development Company	0.99	6.2	10,301.3	(34.9)
Barwa Real Estate Company	3.00	0.0	8,803.5	(15.3)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	16.80	(2.6)	92,822.3	(18.4)
Qatar Islamic Bank	14.36	(2.6)	39,818.7	(6.3)
Ooredoo	5.87	2.2	39,085.6	(17.1)
Doha Bank	1.80	(5.9)	29,381.4	(28.9)
Masraf Al Rayan	3.66	0.7	28,761.4	(7.6)

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*	8,207.24	(0.9)	(3.2)	(13.5)	(21.3)	120.61	125,128.9	12.2	1.2	4.9
Dubai	1,771.31	(1.0)	(2.1)	(31.6)	(35.9)	52.50	73,236.5	6.5	0.6	7.0
Abu Dhabi	3,734.69	(0.3)	(1.0)	(23.8)	(26.4)	54.57	111,858.6	10.9	1.0	6.6
Saudi Arabia	6,505.35	2.1	2.8	(14.7)	(22.5)	1,285.21	2,008,458.7	16.9	1.5	4.2
Kuwait	4,822.71	1.3	(1.5)	(20.6)	(23.2)	101.92	86,171.9	12.0	1.1	4.6
Oman	3,448.29	(0.6)	(2.6)	(16.5)	(13.4)	1.91	15,054.7	7.0	0.6	7.6
Bahrain	1,350.62	(0.4)	(2.7)	(18.7)	(16.1)	2.90	20,942.5	9.7	0.8	5.8

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

Qatar Market Commentary

- The QE Index declined 0.9% to close at 8,207.2. The Banks & Financial Services and Consumer Goods & Services indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Widam Food Company and Ezdan Holding Group were the top losers, falling 7.0% and 6.1%, respectively. Among the top gainers, United Development Company gained 6.2%, while Islamic Holding Group was up 5.7%.
- Volume of shares traded on Monday rose by 22.2% to 149.8mn from 122.5mn on Sunday. Further, as compared to the 30-day moving average of 124.1mn, volume for the day was 20.7% higher. Ezdan Holding Group and Doha Bank were the most active stocks, contributing 11.2% and 10.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	17.46%	13.96%	15,515,575.30
Qatari Institutions	28.89%	27.55%	5,954,131.65
Qatari	**46.35%**	**41.51%**	**21,469,706.95**
GCC Individuals	1.58%	1.50%	375,422.78
GCC Institutions	0.39%	2.50%	(9,327,920.32)
GCC	**1.97%**	**4.00%**	**(8,952,497.55)**
Non-Qatari Individuals	8.27%	6.90%	6,073,887.00
Non-Qatari Institutions	43.41%	47.60%	(18,591,096.40)
Non-Qatari	**51.68%**	**54.50%**	**(12,517,209.41)**

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

Ratings, Global Economic Data and Earnings Calendar

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Doha Bank	Moody's	Qatar	LT-LBD/ LT-FBD/ LT-CRA/ ST-CRA/ BCA/ ABCA/ LT-DCRR/ LT-FCRR/ SD/ SUD	A3/ A3/ A2(cr)/ P-1(cr)/ ba1/ ba1/ A2/ A2/ Baa3/ A3	Baa1/ Baa1/ A3(cr)/ P-2(cr)/ ba2/ ba2/ A3/ A3/ Ba1/ Baa1	↓	Stable	–

Source: News reports, Bloomberg (* LT – Long Term, ST – Short Term, LBD – Local Bank Deposits, CRA – Counterparty Risk Assessment, BCA – Baseline Credit Assessment, ABCA – Adjusted Baseline Credit Assessment, FBD – Foreign Bank Deposits, DCRR – Domestic Counterparty Risk Rating, FCRR – Foreign Counterparty Risk Rating, SD – Subordinated Debt, SUD – Senior Unsecured Debt)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03/31	UK	UK Office for National Statistics	GDP YoY	4Q2019	1.10%	1.10%	1.10%
03/31	UK	UK Office for National Statistics	Private Consumption QoQ	4Q2019	0.00%	0.10%	0.10%
03/31	UK	UK Office for National Statistics	Government Spending QoQ	4Q2019	1.50%	2.10%	2.10%
03/31	UK	UK Office for National Statistics	Exports QoQ	4Q2019	5.00%	4.10%	4.10%
03/31	UK	UK Office for National Statistics	Imports QoQ	4Q2019	0.40%	-0.80%	-0.80%
03/31	UK	UK Office for National Statistics	Total Business Investment QoQ	4Q2019	-0.50%	-1.00%	-1.00%
03/31	UK	UK Office for National Statistics	Total Business Investment YoY	4Q2019	1.80%	0.90%	0.90%
03/31	UK	UK Office for National Statistics	Current Account Balance	4Q2019	-5.6bn	-7.0bn	-19.9bn
03/31	EU	Eurostat	CPI MoM	Mar	0.50%	0.60%	0.20%
03/31	EU	Eurostat	CPI Estimate YoY	Mar	0.70%	0.80%	1.20%
03/31	EU	Eurostat	CPI Core YoY	Mar	1.00%	1.10%	1.20%
03/31	Germany	German Federal Statistical Office	Import Price Index MoM	Feb	-0.90%	-0.30%	-0.40%
03/31	Germany	German Federal Statistical Office	Import Price Index YoY	Feb	-2.00%	-1.50%	-0.90%
03/31	Germany	Deutsche Bundesbank	Unemployment Change (000's)	Mar	1.0k	25.0k	-8.0k
03/31	Germany	Deutsche Bundesbank	Unemployment Claims Rate SA	Mar	5.00%	5.10%	5.00%
03/31	France	INSEE National Statistics Office	CPI EU Harmonized MoM	Mar	0.00%	0.50%	0.00%
03/31	France	INSEE National Statistics Office	CPI EU Harmonized YoY	Mar	0.70%	1.00%	1.60%
03/31	France	INSEE National Statistics Office	CPI MoM	Mar	0.00%	0.40%	0.00%
03/31	France	INSEE National Statistics Office	CPI YoY	Mar	0.60%	1.00%	1.40%
03/31	France	INSEE National Statistics Office	PPI MoM	Feb	-0.60%	–	-0.10%
03/31	France	INSEE National Statistics Office	PPI YoY	Feb	-0.90%	–	0.20%
03/31	France	INSEE National Statistics Office	Consumer Spending MoM	Feb	-0.10%	0.70%	-1.20%
03/31	France	INSEE National Statistics Office	Consumer Spending YoY	Feb	-0.60%	0.00%	-0.90%
03/31	China	China Federation of Logistics	Composite PMI	Mar	53.0	–	28.9
03/31	China	China Federation of Logistics	Manufacturing PMI	Mar	52.0	44.8	35.7
03/31	China	China Federation of Logistics	Non-manufacturing PMI	Mar	52.3	42.0	29.6
03/31	India	India Central Statistical Orga	Eight Infrastructure Industries	Feb	5.50%	–	1.40%

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 1Q2020 results	No. of days remaining	Status
QNBK	QNB Group	12-Apr-20	11	Due
QIBK	Qatar Islamic Bank	15-Apr-20	14	Due
KCBK	Al Khalij Commercial Bank	15-Apr-20	14	Due
QFLS	Qatar Fuel Company	15-Apr-20	14	Due
QIGD	Qatari Investors Group	19-Apr-20	18	Due
ABQK	Ahli Bank	20-Apr-20	19	Due
UDCD	United Development Company	22-Apr-20	21	Due
DHBK	Doha Bank	22-Apr-20	21	Due
MARK	Masraf Al Rayan	23-Apr-20	22	Due

Source: QSE

News

Qatar

- **QNB Group to disclose its 1Q2020 financial statements on April 12 –** QNB Group announced its intent to disclose its 1Q2020 financial statements results on April 12, 2020. (QSE)
- **MARK to disclose its 1Q2020 financial statements on April 23 –** Masraf Al Rayan (MARK) announced its intent to disclose its 1Q2020 financial statements results on April 23, 2020. (QSE)
- **GWCS announces new support bundle for SMEs –** Gulf Warehousing Company (GWCS) has announced that it will provide SMEs importing critical medical supplies for the fight against COVID-19, free customs clearance and transportation services, for a period of three months from April 1, 2020. This announcement comes in line with the directives of HH the Amir Sheikh Tamim bin Hamad Al Thani to support the SMEs in tackling financial consequences of COVID-19. "Our various financial relief programs for the SME sector during the COVID-19 response is an extension of our dedication towards delivering the nation's needs and our solidarity with its people," GWCS Group's CEO, Ranjeev Menon said. Earlier in March, GWCS had announced three-month rent waiver for retail outlets and 6-month rental discounts for SME warehouse tenants at the GWCS Bu Sulba Warehousing Park. (Gulf-Times.com)
- **Moody's downgrades long-term deposit ratings of DHBK to 'Baa1' from 'A3'; maintains 'Stable' outlook –** Moody's Investors Service (Moody's) has downgraded the long-term deposit ratings of Doha Bank (DHBK) to 'Baa1' from 'A3'. Concurrently, Moody's has downgraded the bank's Counterparty Risk Ratings and Counterparty Risk Assessments to 'A3/P-2' and 'A3(cr)/P-2(cr)' from 'A2/P-1' and 'A2(cr)/P-1(cr)', respectively. Moody's has also downgraded the bank's Baseline Credit Assessment (BCA) and adjusted 'BCA' to 'ba2' from 'ba1' and affirmed the bank's 'P-2' short-term deposit ratings. The outlook on the bank's long-term ratings remains 'Stable'. The rating agency also downgraded to '(P)Baa1' from '(P)A3' and '(P)Ba1' from '(P)Baa3' the senior unsecured and subordinated debt program ratings of Doha Finance Limited, the bank's special-purpose vehicle established for the sole purpose of issuing senior unsecured and subordinated notes, respectively. The downgrade of DHBK's long-term deposit ratings reflects the lowering of the bank's BCA and adjusted BCA to 'ba2' from 'ba1' which is driven by the deterioration in the bank's financial indicators with weak asset quality and sustained high provisioning charges weighing on bottom-line profitability and core capital levels. The bank's standalone profile also captures a sound liquidity profile that mitigates market funding reliance. The downgrade of the bank's long-term ratings also takes into account the rating agency's continued expectation of a very high probability of support from the government of Qatar (Aa3, stable) in case of need, which continues to translate into four notches of uplift from the bank's 'ba2' BCA. The 'Stable' outlook on DHBK's long-term ratings captures Moody's expectations that the bank's lower standalone level of 'ba2' balances the bank's sound liquidity profile against its weak asset quality and modest core capital and profitability. In addition, the 'Stable' outlook takes into account DHBK's asset recovery efforts and overall strategic decision to shift lending and investment activities towards the lower-risk public sector in Qatar. (Bloomberg, Moody's)
- **Ooredoo sees rise in use of Money service –** Ooredoo has highlighted the features of its Ooredoo Money service as demand for remotely accessible remittances increases due to the temporary closure of money exchanges in line with current guidelines relating to the ongoing global novel coronavirus (COVID-19) outbreak. Qatar's leading telecommunications operator has seen a rise in the use of its Ooredoo Money service since the temporary closure of exchange houses, and a rise in the number of remittances being sent, according to a statement on Tuesday. Customers can send remittances via one of Ooredoo Money's trusted partners – MoneyGram, Al Dar Exchange, Al Zaman Exchange and Gulf Exchange – to hundreds of banks and accounts around the world, for free until April 15. Some transfers are instant, with others taking 72 hours depending on the country and the bank. (Gulf-Times.com)
- **Barwa Bank to postpone its SMR finance installments, documentary credit dues –** Barwa Bank announced yesterday that it will postpone finance installments and documentary credit dues of its SME customers for six months without additional fees or profits. The move aims to support SME customers amid the impact caused by Covid-19 pandemic (Gulf-Times.com)
- **Telecom, transport post strong growth in net earnings among QSE-listed firms in 2019 –** The telecom and transport sectors exhibited strong growth in net earnings but overall the profitability of the Qatar Stock Exchange (QSE)-listed firms were on the decline in 2019. The cumulative net profit of the listed companies (except Baladna) witnessed 5.53% YoY decline to QR38.57bn in 2019 against more than 7% growth in

2018. The banking and industrials sectors together contributed about 79% of the cumulative net profits, according to figures collated by the QSE. The overall YoY net profitability was dragged mainly by a double-digit shrinkage in the net earnings in the insurance, industrials and consumer goods sectors. In 2019, the maximum drag in earnings came from the industrials sector, which saw eight of its entities register decline in net profits. The industrials sector, which has 10 listed constituents, witnessed a huge 32.86% yearly plunge in net profitability to QR6.12bn against 22.68% increase the previous year. The sector contributed 15.87% to the overall net profitability of the listed entities in the review period. The insurance sector, which has five listed companies, reported 46.26% YoY plunge in cumulative net profit to QR0.33bn in 2019 compared to 24.85% surge in the previous year. The sector had contributed 0.86% to the overall net profitability. The consumer goods sector, which has 10 listed entities, witnessed 10.36% YoY shrinkage in cumulative net profit to QR1.84bn at the end of December 31, 2019 compared to 6% expansion in 2018. The sector contributed 4.77% to the overall net profitability in the review period. The banks and financial services sector, which has 13 listed constituents, saw 6.5% YoY growth in cumulative net profit to QR24.34bn compared to an 8.1% gain in 2018. The sector had contributed 63.11% in the overall net profitability during January-December 2019. However, the telecom sector saw its net profit grow 11.03% to QR1.87bn in 2019 compared to 1.88% fall in 2018. The sector contributed 4.85% to overall net profit in the review period. The transport sector, which has three listed companies, recorded 10% YoY growth in cumulative net profit to QR1.8bn in 2019 against 7.36% rise in 2018. The sector's share in the overall net profitability was 4.67% in the review period. The real estate segment, which has four listed entities, saw 20.36% YoY contraction in net earnings to QR2.27bn in 2019 against a 27.71% decline in 2018. The sector constituted 5.89% of the overall net profitability in the review period. (Gulf-Times.com)

- **Societe Generale: Qatar FDI inflows 'generally follow' upward trend –** Foreign direct investment (FDI) flows into Qatar "have generally followed an upward trend" in the past several years, thanks to the "country's political stability, stable currency pegged to the dollar, high quality infrastructure and one of the lowest corporate tax rates" in the world (10%), an analysis by French multinational investment bank Societe Generale has shown. The largest contributors to FDI inflows into Qatar are the US, Japan, South Korea and Singapore, while the main sectors that attract foreign investments are oil and gas, construction, public works and financial services. FDI to Qatar totaled QR677.7bn ($199.7bn) by the end of first quarter last year, 6.6% higher than the same time in 2018, it said. Following the diplomatic crisis with some neighboring countries, Qatari economy experienced a "negative" impact, Societe Generale noted. However, it said "the trust of global investors remained still on Qatar's economy even after the diplomatic tension. Furthermore, Qatar is also a key international investor, thanks to its large foreign exchange reserves." According to Societe Generale, "Qatar aims to become a leading country" in terms of its business and foreign investment environment. In May 2018, the government approved a draft law that allows non-Qatari investors to own 100% capital in all sectors, while many Qatar Stock Exchange listed companies have increased their foreign ownership limit to 49%. The organization of the FIFA World Cup 2022 is expected to "attract" large amounts of foreign investors into Qatar in the coming years. "However, one element that limits the expansion of FDI flows into Qatar concerns its policies governing the private sector, especially due to the long amount of time it took to establish a privatization program," Societe Generale noted. "The public-private partnership program launched recently is expected to improve the situation," Societe Generale said. (Gulf-Times.com)
- **Workers in quarantine to get full salary, says Ministry of Labor –** The Ministry of Administrative Development Labor and Social Affairs (MADLSA) said yesterday that, as per the policies of the Ministry, workers in quarantine and isolation will be paid full salary without any deduction and it is mandatory for employers and companies to follow the policies. The Ministry also announced the launch of a new hotline service on 92727 for receiving grievances of workers. "The companies are responding fully because they know that the workers were put in quarantine as a precautionary measure to protect all of us," said Muhammed Hassan Al Obaidly, Assistant Undersecretary for Labor Affairs at MADLSA, addressing a press conference held at the headquarters of the Ministry. He briefed the media about the procedures taken by the MADLSA to curb the spread of COVID-19. He said that as much as QR3bn have been earmarked to pay the salaries of workers and rents of the employers which could be utilized through banks to pay the wages of laborer's and paying the rent due on companies. (Peninsula Qatar)

International

- **With Republicans wary of more coronavirus spending, Trump urges infrastructure plan –** US Republican lawmakers signaled caution on Tuesday over Democratic plans to prepare another large spending bill to battle the coronavirus crisis, even as the US President Donald Trump called for $2tn in spending, this time on infrastructure. Democratic House of Representatives Speaker Nancy Pelosi said Congress needs to take up a fourth coronavirus-related bill to focus on recovery in the aftermath of the outbreak. But Senate Majority Leader Mitch McConnell, a Republican, urged a "wait-and-see" approach. Trump took to Twitter to urge Congress to pass a massive $2tn plan to update the country's roads, bridges and other infrastructure, a cause he has often espoused but never accomplished. Trump signed into law on Friday a $2.2tn package aimed at helping workers and businesses harmed by the coronavirus pandemic, the third bill that Congress has passed this month to address the outbreak. US coronavirus-related deaths reached 3,607 on Tuesday, exceeding the total number reported in China and reaching the third highest in the world behind Italy and Spain, according to a Reuters tally. House Democrats are developing a "phase four" measure including improvements in infrastructure, such as telecommunications, electricity and water systems. Pelosi has noted the generally bipartisan appeal of infrastructure spending. (Reuters)
- **US unemployment offices sitting on mountain of pending claims –** Last week's record-setting US jobless claims number will be quickly surpassed, economists and state officials predict, as local labor offices digest a pile of pending applications, and

the new stimulus bill extends benefits to the self-employed. According to a Reuters survey of economists, initial claims for state unemployment benefits probably climbed to a seasonally adjusted 3.5mn for the week ended March 28. Estimates in the survey were as high as 5.25mn. That would be an increase of between 220,000 and 1.97mn from the prior week's 3.28mn, reflecting both the newly unemployed as well as states catching up on previously filed applications that had not yet been captured in the system due to overwhelming demand. More states enforced "stay at home" policies last week. A historic $2.2tn package, or Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed by President Donald Trump last Friday is making it easier for workers to seek unemployment benefits. It raised payments for the unemployed by up to $600 per week per worker and laid-off workers would get those payments for up to four months. The Labor Department's easing of filing restrictions is also believed to be contributing to the surge in claims. It has given states flexibility to amend their laws, allowing them to provide benefits to workers temporarily unemployed because of the coronavirus or who need to care for a sick family member. (Reuters)

- **US consumer confidence approaches three-year low –** US consumer confidence dropped to a near three-year low in March as households worried about the economy's near-term outlook amid the coronavirus pandemic, which has upended life for Americans. The survey from the Conference Board on Tuesday came in the wake of reports last week showing the number of Americans filing for unemployment benefits racing to a record 3.28 million in the week ending March 21, and business activity hitting an all-time low in March. The country has ground to a sudden stop as authorities enforce strict measures to control the spread of the coronavirus, which causes a respiratory illness called COVID-19. The US has the highest number of confirmed COVID-19 cases, with more than 163,000 people infected. At least 3,017 people in the U.S. have died from the illness, according to a Reuters tally. The Conference Board said its consumer confidence index decreased to a reading of 120.0 this month, the lowest since July 2017, from an upwardly revised 132.6 in February. Economists polled by Reuters had forecast the index falling to 110.0 in March from the previously reported reading of 130.7 in February. The smaller-than-expected decline in confidence is likely because the cutoff date for the survey was March 19, before many states and local governments ordered residents to stay at home or shelter in place, and shuttered restaurants, bars and other social-gathering venues. The Conference Board said it expected further declines as the fallout from the coronavirus intensifies and viewed March's drop in confidence as being "more in line with a severe contraction, rather than a temporary shock." (Reuters)
- **IMF: Some banking systems may need help in worst-case scenario –** Some countries' banking systems might have to be recapitalized or even restructured, if their economies are severely handicapped by prolonged disruption from the coronavirus outbreak, officials at the International Monetary Fund (IMF) said on Tuesday. Leading regulators and bank chief executives, particularly in the United States, have said lenders are robust enough to withstand the unfolding economic crisis. Tobias Adrian, the director of the IMF's monetary and capital markets department, told Reuters in an interview that in a 'baseline' scenario that would be a repeat of a 2009-type growth path, banks could withstand the adverse impact. Adrian cautioned, however, that conditions could deteriorate. "(In a) beyond-severely adverse scenario, then it could be that some banks are undercapitalized and at that point policy makers might have to take further actions such as recapitalizing or restructuring banking systems," Adrian said. Helping countries in times of distress was "bread-and-butter" work for an institution like the IMF, he added. Adrian, in a blog post with Aditya Narain, deputy director in the IMF's Monetary and Capital Markets Department, outlined a number of measures regulators should take to mitigate the effects of the economic crisis on banking systems, including suspending new rulemaking, encouraging loan modifications and urging banks to use their liquidity reserves - measures many regulators are already taking. (Reuters)
- **Lloyds: UK business confidence crashes on coronavirus hit –** Confidence among British companies slumped in the second week of March as the coronavirus crisis gathered pace but before the government shut much of the economy to slow its spread, according to a survey published on Tuesday. The business confidence index from Lloyds Bank hit its joint lowest level since the depths of the global financial crisis 11 years ago in the week that started on March 9, touching -3%. During that week, the Bank of England cut interest rates and finance minister Rishi Sunak said he would ramp up public spending. Both measures proved to be just the prelude to further emergency stimulus moves by the BoE and the government. Over the first two weeks of March combined, confidence amongst companies sank by 17 points to 6% and hiring intentions fell 12 points to 4%, Lloyds said. More than 70% of businesses said they were or would be affected by coronavirus. Separately on Tuesday, market research firm GfK said its index of consumer confidence — which was also conducted in the first half of March — slipped to -7 from -9 in February, which had been its strongest level since August 2018. "While we have a long way to drop before we match the devastating numbers seen in July 2008 when the Overall Index Score crashed to -39 points, lockdown Britain can only expect further deterioration," Joe Staton, GfK's client strategy director, said. Gfk reported a sharp, eight-point fall in willingness of consumers to make major purchases. (Reuters)
- **Eurozone inflation slows sharply amid oil price war, coronavirus pandemic –** Eurozone inflation slowed sharply in March, a first estimate showed on Tuesday, as an oil price war between Russia and Saudi Arabia slashed energy prices and the coronavirus pandemic brought economic activity across the bloc almost to a halt. The European Union's statistics office Eurostat said consumer prices in the 19 countries sharing the euro rose 0.5% in March against February for a 0.7% YoY gain, decelerating from 1.2% annual growth in February. Economists polled by Reuters had expected a 0.8% YoY increase. The fall brings price growth even further away from the European Central Bank's target of below, but close to 2 percent over the medium term. Energy prices plunged 4.3% year-on-year in March while unprocessed food prices were 3.5% higher. Without these two volatile components — a measure the ECB calls core inflation and watches closely in policy decisions — prices grew 1.2% in annual terms, as expected, down from 1.3%

in February. An even narrower inflation measure excluding also alcohol and tobacco prices that many market economists look at, slowed to 1.0% YoY in March from 1.2% in February. Economists had expected a slowdown to 1.1%. (Reuters)

- **Around 470,000 firms in Germany applied for short-time work –** Around 470,000 companies in Germany have applied for a government short-time work scheme in March due to the coronavirus outbreak, the Federal Labor Office said on Tuesday, adding requests had come from many sectors, especially retail, hotels and catering. Short-time work is a form of state aid that allows employers to switch employees to shorter working hours during an economic downturn to keep them on the payroll. It has been widely used by industry, including Germany's car sector. (Reuters)
- **World Bank: Pandemic to hit growth in Asia, China –** The coronavirus pandemic is expected to sharply slow growth in developing economies in East Asia and the Pacific as well as China, the World Bank said in an economic update on Monday. The bank said precise growth forecasts were difficult, given the rapidly changing situation, but its baseline now called for growth in developing economies in the region to slow to 2.1% in 2020, and to -0.5% in a lower-case scenario, compared to estimated growth of 5.8% in 2019. In China, where the coronavirus outbreak originated in late December, growth was projected to slow to 2.3% in the baseline scenario, or as low as 0.1% in the lower-case scenario, compared to growth of 6.1% in 2019. The region faced an unusual combination of "disruptive and mutually reinforcing events," the report said. "Significant economic pain seems unavoidable in all countries." Countries in the region should invest in healthcare capacity and take targeted fiscal measures, such as providing subsidies for sick pay and healthcare, to mitigate some of the immediate impacts of the pandemic, the World Bank said. "Containment of the pandemic would allow for a sustained recovery in the region, although risks to the outlook from financial market stress would remain high," it said. The financial shock of the pandemic was also expected to have a serious impact on poverty, defined as income of $5.50 a day, the bank said. The baseline scenario called for nearly 24mn fewer people to escape poverty across the region in 2020 due to the pandemic. If the economic situation deteriorated even further, poverty could increase by about 11mn people. Prior projections estimated that nearly 35mn people would escape poverty in the region in 2020, including over 25mn in China alone, the bank said. (Reuters)
- **PMI: Japan's factory activity shrinks at fastest pace since 2009, new orders slump –** Japan's factory activity contracted at the fastest pace in about a decade in March, as the world's third-largest economy struggled with a severe downturn in overseas and domestic demand due to the coronavirus crisis. The manufacturing slowdown offers the latest evidence of the pain business and the economy are feeling from the pandemic and highlights the challenges policymakers face. The final au Jibun Bank Japan Manufacturing Purchasing Managers' Index (PMI) fell to a seasonally adjusted 44.8 from a final 47.8 in February, its lowest since April 2009. "The likelihood of the manufacturing recession deepening in the coming months is high," said Joe Hayes, economist at IHS Markit, which compiled the survey. "Overall, the cascading impact of COVID-19 on the global economy is diminishing the chances of a V-shaped recovery." The PMI survey showed output and new orders fell to levels not seen since April 2011 - the month after an earthquake and tsunami ravaged Japan - with some companies reporting outright production halts. New export orders fell sharply amid reports of severe economic distress among key trading partners in China and other parts of Asia. Manufacturers reported the most negative outlook for output over the next 12 months since IHS Markit started tracking the future outlook in July 2012. (Reuters)
- **Japan's business mood hits seven-year low as virus revives deflation specter –** Japan's business confidence soured to levels not seen since 2013, a closely watched survey showed, as the coronavirus pandemic hit sectors from hotels to carmakers and pushed the economy closer to recession. The worsening corporate morale underscores the challenge Prime Minister Shinzo Abe faces in ensuring the pandemic does not erase the benefits of his "Abenomics" fiscal and monetary stimulus, deployed seven years ago to revive a stagnant economy. The Bank of Japan's quarterly "tankan" survey on Wednesday showed big manufacturers' sentiment turned pessimistic for the first time in seven years as supply chain disruptions caused by the outbreak hit sectors across the board. Service-sector sentiment also hit a seven-year low as travel bans and social distancing policies hurt consumption, clouding an already dark outlook. Analysts warn firms are yet to fully factor in the coming business hit from the pandemic and will likely slash spending plans in months ahead. The headline index measuring big manufacturers' sentiment worsened to minus 8 in March from zero in December, the tankan showed, compared with a median market forecast of minus 10. It was the first time in seven years the big manufacturers' index turned negative, with slumping global demand pushing sentiment among big carmakers to the lowest level since 2011. Big non-manufacturers' sentiment index worsened to plus 8 from plus 20 in December, the survey showed. Morale among big hotels fell to a 16-year low as the pandemic led to a plunge in overseas and domestic tourism. Both manufacturers and non-manufacturers expect business conditions to worsen further three months ahead, the survey showed. For now, big firms expect to increase capital expenditure by 1.8% in the fiscal year that began April, compared with a median estimate of a 1.1% decrease. However, companies may revise down their spending plans in the next tankan survey in June depending on the extent of economic damage caused by the pandemic, a BOJ official told a briefing. (Reuters)
- **China factory activity unexpectedly expands, but economy cannot shake off virus shock –** Factory activity in China unexpectedly expanded in March from a collapse the month before, but analysts caution that a durable near-term recovery is far from assured as the global coronavirus crisis knocks foreign demand and threatens a steep economic slump. China's official Purchasing Managers' Index (PMI) rose to 52 in March from a plunge to a record low of 35.7 in February, the National Bureau of Statistics (NBS) said on Tuesday, above the 50-point mark that separates monthly growth from contraction. Analysts polled by Reuters had expected the March PMI to come in at 45.0. The NBS attributed the surprise rebound in PMI to its record low base in February and cautioned that the

readings do not signal a stabilization in economic activity. That view was echoed by many analysts, who warn of a further period of struggle for China's businesses and the broader economy due to the rapid spread of the virus across the world, the unprecedented lockdowns in several countries and the almost near certainty of a global recession. The pandemic's sweeping impact on production was underlined in two of Asia's main export engines, Japan and South Korea. In Japan, industrial out rose at a slower pace in February and factories expect a plunge this month, while production in South Korea contracted the most in 11 years. Economists are already forecasting a steep contraction in China's first quarter gross domestic product, with some expecting a year-year slump of 9% or more - the first such contraction in three decades. (Reuters)

- **China's 'mini-IPO' reform takes on new virus urgency –** One unforeseen outcome from the coronavirus outbreak in China is that it is speeding up capital market reform even as economic activity is gummed up by restrictions to contain its spread. Beijing is stepping up plans for a new 'mini-IPO" market to help the country's army of small companies access capital quickly, as it keeps growing the next generation of innovative companies despite the short-term impact from the virus on business confidence. The reform on China's moribund New Third Board is the second major step in less than a year aimed at developing the country's ability to finance its next tech champions, artificial intelligence or fifth-generation telecoms (5G) firms. Plans to transform the New Third Board into a feeder for the bigger exchanges were designed to help create a financing channel for start-ups without the need for the foreign finance that supported China's Alibaba and Tencent. The devastating hit from the virus outbreak on small- and medium-sized enterprises - which employ around 80% of workers - could see the new scheme rolled out by July. Chinese President Xi Jinping in February called on banks and others to boost support for virus-hit SMEs. Two weeks later, the National Equities Exchange and Quotations (NEEQ), operator of the New Third Board, said it would accelerate its reform plans. Under the scheme, companies already on the board which meet certain criteria can apply to NEEQ for what brokers have dubbed a "mini-IPO", involving selling shares to new investors and joining a new "select tier." Companies in the tier can later migrate to Shanghai's STAR Market or Shenzhen's ChiNext - both bigger tech hubs, offering greater opportunities to raise more funds - without the rigors of another IPO. (Reuters)

Regional

- **OPEC rift widens as group fails to set date for emergency talks –** A rift in the OPEC has widened after members failed to agree unanimously on an emergency low-level meeting to discuss a market collapse that has seen global oil prices hit 18-year lows. OPEC President Algeria, which has been instrumental in organizing the producer group's efforts to support the market, had been among the members pushing for a gathering of OPEC's Economic Commission Board (ECB) in April. But at least four members, including OPEC's de facto leader Saudi Arabia, the UAE, Kuwait and Nigeria, have made clear they see no need for such a meeting, four sources with knowledge of the matter said on condition of anonymity. One OPEC source said Kuwait had not received an official invitation to join the meeting and does not consider a meeting necessary. Another OPEC source said it was best to stick to a previous arrangement to hold the ECB meeting in June rather than earlier given the extent of uncertainty over the market's direction. The meeting could be agreed by a simple majority of OPEC's 13 members, however, the absence of leading nations, notably Saudi Arabia, would mean the meeting had no power to act. The Kingdom accounts for a third of the group's oil output. The ECB is an advisory panel made up of OPEC officials, usually national representatives. It does not set policy, but its recommendations can inform decisions made by ministers. The lack of agreement on holding a low level meeting highlights the growing frustration on the part of some OPEC members with the Saudi policy of taking no action to halt the fall in oil prices as it battles for market share with non-OPEC Russia. "You cannot freeze all channels of communication, even at the lower level," one of the sources said. (Reuters)
- **OPEC March oil output rises from 2009 low after supply pact collapse –** OPEC oil output rose in March from the lowest in more than a decade last month as Saudi Arabia boosted output following the collapse of an OPEC-led supply pact, offsetting further declines in Libya, Iran and Venezuela. On average, the 13-member OPEC pumped 27.93mn bpd last month, according to the survey, up 90,000 bpd from February's figure, which was unrevised. A supply pact by OPEC and other producers, known as OPEC+, collapsed on March 6, hastening a drop in prices that were already falling due to the coronavirus outbreak. Brent crude has plunged below $22 a barrel, the lowest since 2002. While Saudi Arabia plans to boost supply following the OPEC+ deal collapse, OPEC output has not changed much yet because export deals for March production were already in place, said Petro-Logistics, a firm that tracks oil shipments. "OPEC supply in March is broadly unchanged versus February, hovering at record lows," Petro-Logistics chief executive Daniel Gerber told Reuters. "Allocations for March barrels were locked in by the time the OPEC+ agreement collapsed on March 6." "This may be the calm before the storm as many OPEC countries have announced a maximization of their supply and exports in April. Early signs show export rates from Saudi Arabia, UAE and Kuwait starting to ramp up." OPEC, Russia and other producers had a deal to curb output by 1.7mn bpd until March 31 to support prices. The 10 OPEC members bound by the agreement still exceeded the pledged cuts in March, the survey found. Compliance was 106% in March, a decline from 128% in February. Production next month is expected to rise further. Saudi Arabia is reducing refinery operations in April to boost export potential and, an official said, plans to ship 10.6mn bpd in May. (Reuters)
- **GCC seen driving international corporate Sukuk issuances –** GCC countries along with Malaysia and Indonesia will continue to drive corporate Sukuk issuances in 2020, a report by Moody's Investor Service has shown. Malaysia has a deep domestic market that dominates local currency issuance while international issuance is led by companies in the GCC where currencies are pegged to the Dollar and domestic debt capital markets remain small, it stated. In general, Moody's expects 2020 issuance to be in line with volumes in 2018-19. As GCC governments promote policies to diversify their economies and encourage companies to access capital markets, there could be

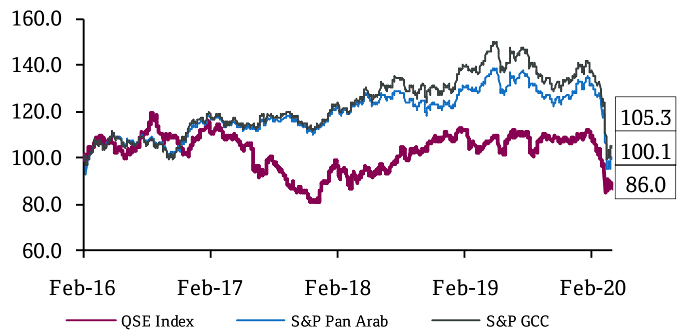
some upside to Moody's issuance expectations. Corporate issuance of international Sukuk in 2019 was similar to the previous year, with 12 companies issuing $7.6bn in 2018. (Gulf-Times.com)

- **Saudi Aramco tells service firms to support its oil output hike to 12mn bpd from April –** Saudi Aramco has asked key energy service companies to support the state oil giant's plans to produce at its maximum oil output capacity of 12mn bpd "starting April 1 and for the foreseeable future", a Saudi oil industry source told Reuters on Tuesday. Saudi Aramco has also told the service companies to "avail the required resources including workforce and equipments" to help it raise its oil production capacity to 13mn bpd, the Saudi source said. Saudi Aramco has set its April propane price at $230 a ton, down from $430 a ton in March, the company stated. Saudi Aramco has set April butane at $240 a ton, down from $480 a ton in March. The prices provides a benchmark against which Middle East sales of liquefied petroleum gas (LPG) to Asia are gauged. (Reuters)
- **Petro-Logistics: Saudi Arabia's oil exports reach 9mn bpd in late March –** Saudi Arabia's crude exports were up 1.4mn bpd in latest weekly data, reaching 9mn bpd, tanker tracker Petro-Logistics stated. In March, Saudi exports rose 400k bpd to almost 8mn bpd, highest since December 2018. "Tanker traffic at Saudi Arabian ports has increased noticeably and scheduled loadings suggest an extension of the recent trend," Petro-Logistics CEO, Daniel Gerber said. (Bloomberg)
- **Saudi Arabia approves IPO stock listings of government assets planned for privatization –** Saudi Arabia's government approved in a virtual meeting on Tuesday listing government assets planned for privatization in stock market TADAWUL after an initial public offering (IPO). "Assets, sectors and services planned for privatization shall be listed in Saudi stock market through direct or indirect initial public offering," state news agency SPA reported. The privatization drive is part of Vision 2030, a package of reforms led by Crown Prince Mohammed bin Salman that is intended to wean the economy off oil and create jobs for young Saudis. Riyadh has struggled over the past few years to attract large investor interest for a slate of planned privatizations aimed at diversity of its oil-driven economy. The most high-profile partial privatization process of state oil giant Aramco IPO late last year was mainly dependent on local investors. "The indirect IPO for such assets will be done through setting up companies that own the government stakes in these projects," the statement added. Officials began a broad reassessment of the blueprint before the latest crises; however, the Finance Ministry is now specifically looking to pare back its budgets, according to two people familiar with the matter. They said officials hadn't yet decided how the added pressure of the oil price collapse would affect the review, however, they're expecting significant cuts. Vision 2030 reductions would come on top of 20% in savings that the government had already asked ministries to find, sources said. (Reuters, Bloomberg)
- **Dubai to inject fresh capital in Emirates airline –** Dubai's Crown Prince, Sheikh Hamdan bin Mohammed said the Emirate's government was committed to fully support Emirates airline and will inject fresh equity into the company to help it overcome the coronavirus crisis. Emirates has a "strategic importance to the Dubai and UAE economy and the airlines (have a) key role in positioning Dubai as a major international aviation hub", Sheikh Hamdan said. "Further details in this regard will be announced at a later stage," he added. (Reuters)
- **Dubai's Emaar Properties pauses construction of downtown Dubai tower –** Dubai's largest listed developer Emaar Properties has suspended construction of a 77-storey residential tower in the Downtown Dubai area near the world's tallest tower, the Burj Khalifa, a spokesman said. "In light of the current situation, delays in operations outside of our control have impacted construction on the project," the spokesman said in response to a Reuters query. The spokesman, calling the stoppage a "temporary pause", did not say when construction would resume or be completed. (Reuters)
- **Abu Dhabi Islamic Bank's shareholders approve increase in foreign ownership limit –** Abu Dhabi Islamic Bank's (ADIB) shareholders have approved an increase in the bank's foreign ownership limit to 40%, from the current 25%. The increase comes as a response to interest from global investors, ADIB stated. ADIB's shareholders also approved the distribution of 27.38 fils per share cash dividends for the year 2019, representing a 38.23% of the bank's full year net profits. The bank's net profit rose to AED2.6bn in 2019, up from AED2.5bn in 2018. ADIB's net revenues increased by 2.5% last year to AED5.9bn from AED5.8bn in 2018. (Zawya)
- **ADNOC Distribution announces dividend increase at the AGM–** ADNOC Distribution announced that its dividend policy will see the 2020 dividend increase to AED2.57bn, an increase of 7.5% compared to 2019. The announcement was made on Tuesday during the company's General Assembly meeting which was held remotely via video conference as part of the ADNOC Distribution's measures to ensure the safety and well-being of its shareholders, in line with the UAE Government's social distancing policies to help combat the spread of COVID-19. (Zawya)
- **Abu Dhabi Commercial Bank faces over $1bn NMC exposure –** Abu Dhabi Commercial Bank (ADCB) has more than $1bn of exposure to troubled hospital operator NMC Health Plc, potentially putting one of the Middle East's biggest financial institutions on the hook for losses on the debt, sources said. The state-owned lender is currently seen as one of the biggest creditors to NMC, according to sources. HSBC Holdings, JPMorgan Chase & Co. and Standard Chartered also have large outstanding loans to the Abu Dhabi-based company, sources added. Some of the lenders are in talks to set up a committee to discuss ways to recover funds from NMC, according to sources. The company's known debt pile has more than tripled in recent weeks to $6.6bn, up from the $2.1bn reported at the end of June, after it successively uncovered borrowings that had not been disclosed to the board. (Bloomberg)
- **Abu Dhabi's Gulf Marine Services reaches debt restructuring deal –** Abu Dhabi-based Gulf Marine Services (GMS) stated it had reached an agreement with its syndicate of banks to restructure its debt that will help it weather the coronavirus crisis. London-listed GMS provides support vessels for offshore oil and gas and other energy installations. It has been hurt by a downturn in the oil and gas services industry triggered by a prolonged slide in oil prices that has turned into a deep slump

since the coronavirus crisis destroyed demand and a production cut agreement between OPEC and its allies collapsed. "The agreement is a key step towards GMS's objective of achieving a sustainable and (deleveraged) capital structure," it said in a statement, adding the deal was the result of discussions over several months. "GMS today is in a much healthier and stronger position to face the unique challenge of COVID-19 as well as continued oil price volatility," GMS Executive Chairman, Tim Summers said. The agreement gives the company incentives to reduce debt through a shareholder equity raise or else to issue "preferential securities, and/or the incurrence of PIK (payment in kind) interest, to the banks," the statement said. It extends the maturity on existing loans to June 30, 2025, provides a new $50mn working capital loan, re-phases amortization requirements and increases financial covenant headroom. GMS is also seeking shareholder approval for a share capital increase of at least $75mn, it said. GMS had $400mn in total net debt at the end of 2018. It began re-negotiating terms with creditors after it said it might not be able to meet principal debt repayments as of this year. The company stated on Tuesday it planned to finalize the documentation for the agreement, which it said is legally non-binding, by the end of June. (Zawya)

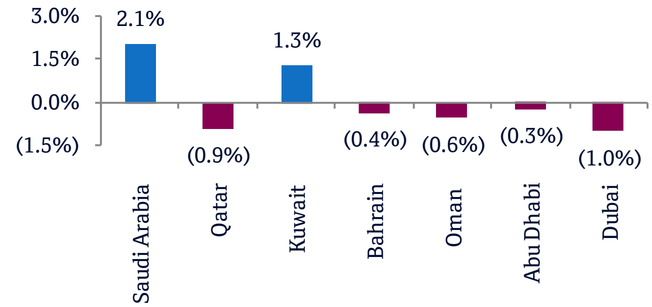
- **Kuwait banks to postpone loan payments for affected companies –** Central Bank of Kuwait (CBK) has asked banks to postpone loan repayments for private sector companies affected by the coronavirus pandemic for three months, its Governor, Mohammad Al-Hashel said on Tuesday. The banks have responded positively to postponing affected companies' dues without interest or penalty fees, he said. (Reuters)
- **Kuwait props up coronavirus-hit economy amid low oil prices –** Kuwait announced measures early on Wednesday aimed at shoring up its economy against the coronavirus pandemic, including soft long-term loans from local banks, and the central bank asked banks to ease loan repayments for companies affected. Kuwait, which as of March 31 had registered 289 coronavirus cases, was the first Gulf state to halt passenger flights and impose a partial curfew to stem the spread of the highly infectious respiratory illness. The sectors most impacted by the pandemic include aviation, hospitality and real estate, a government source told Reuters. The stimulus package approved by the cabinet aims to provide liquidity for small- and medium-sized enterprises to meet their obligations, a government spokesman said. That includes directing government agencies to pay obligations to the private sector as soon as possible. (Reuters)
- **Kuwait sells KD240mn 182-day bills; bid-cover at 11.21x –** Kuwait sold KD240mn of 182-day bills due on September 29, 2020. Investors offered to buy 11.21 times the amount of securities sold. The bills have a yield of 1.375% and settled on March 31, 2020. (Bloomberg)
- **S&P revises Bahrain Mumtalakat Holding Co. outlook to Stable –** S&P revised its outlook on Bahrain Mumtalakat Holding Co. (Mumtalakat) to Stable from Positive. At the same time, S&P has affirmed the 'B+/B' long- and short-term foreign and local currency issuer credit ratings on the company. The Stable outlook on Mumtalakat reflects that on Bahrain. S&P could downgrade Mumtalakat in the next 12 months if it saw a decreased likelihood of extraordinary support from the government of Bahrain because of, for example, a diminishing role for or weakening link with the government. In particular, this could happen if the sovereign decided not to cover Gulf Air's losses, did not act in a timely manner to protect Mumtalakat, or if Mumtalakat divested key assets. S&P currently see this as unlikely. Although unlikely over the next 12 months, if S&P upgrades Bahrain we could raise our ratings on Mumtalakat, assuming the company's role for and link with the government remained unchanged. The outlook revision on Mumtalakat follows similar action on Bahrain (B+/Stable/B) on March 26, 2020. S&P equalizes ratings on Mumtalakat with those on Bahrain because we see an almost certain likelihood that the government of Bahrain would provide timely and sufficient extraordinary support to Mumtalakat in the event of financial distress. This is although the government does not formally guarantee Mumtalakat's financial liabilities. Mumtalakat is the investment company for Bahrain's strategic assets in sectors other than oil and gas. It is wholly owned by the Bahraini government and, as of November 30, 2019, held stakes in over 60 commercial enterprises with a book value we estimate at approximately Bahraini dinar BHD3.2bn, equivalent to about 20% of Bahraini GDP. The portfolio covers a variety of sectors, including aluminum production, financial services, telecommunications, real estate, tourism, transportation, health care, and food production. These companies are important employers on the island. In accordance with our criteria for government-related entities (GREs), its rating approach is based on the view of Mumtalakat's. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,577.18	(2.8)	(3.1)	3.9
Silver/Ounce	13.97	(0.5)	(3.4)	(21.7)
Crude Oil (Brent)/Barrel (FM Future)	22.74	(0.1)	(8.8)	(65.5)
Crude Oil (WTI)/Barrel (FM Future)	20.48	1.9	(4.8)	(66.5)
Natural Gas (Henry Hub)/MMBtu	1.71	0.0	0.6	(18.2)
LPG Propane (Arab Gulf)/Ton	29.00	17.2	17.2	(29.7)
LPG Butane (Arab Gulf)/Ton	29.75	16.7	13.3	(54.6)
Euro	1.10	(0.2)	(1.0)	(1.6)
Yen	107.54	(0.2)	(0.4)	(1.0)
GBP	1.24	0.0	(0.3)	(6.3)
CHF	1.04	(0.3)	(1.0)	0.7
AUD	0.61	(0.7)	(0.6)	(12.7)
USD Index	99.05	(0.1)	0.7	2.8
RUB	78.42	(1.1)	(0.5)	26.5
BRL	0.19	(0.2)	(2.0)	(22.8)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	1,852.73	(0.9)	1.4	(21.4)
DJ Industrial	21,917.16	(1.8)	1.3	(23.2)
S&P 500	2,584.59	(1.6)	1.7	(20.0)
NASDAQ 100	7,700.10	(1.0)	2.6	(14.2)
STOXX 600	320.06	1.2	1.8	(24.8)
DAX	9,935.84	0.8	2.0	(26.6)
FTSE 100	5,671.96	2.0	2.8	(29.7)
CAC 40	4,396.12	(0.0)	(0.1)	(28.2)
Nikkei	18,917.01	(0.8)	(2.2)	(19.2)
MSCI EM	848.58	2.0	0.7	(23.9)
SHANGHAI SE Composite	2,750.30	0.4	(0.6)	(11.3)
HANG SENG	23,603.48	1.9	0.5	(15.9)
BSE SENSEX	29,468.49	3.6	(1.3)	(32.5)
Bovespa	73,019.80	(2.8)	(2.7)	(51.2)
RTS	1,014.44	5.8	6.2	(34.5)

Source: Bloomberg (*$ adjusted returns)

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