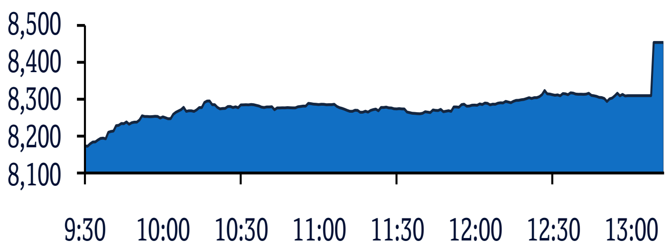
Daily Market Report

Sunday, 05 April 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 3.2% to close at 8,458.3. Gains were led by the Banks & Financial Services and Industrials indices, gaining 4.5% and 3.8%, respectively. Top gainers were Mesaieed Petrochemical Holding Company and Salam International Investment Limited, rising 10.0% and 6.7%, respectively. Among the top losers, Aamal Company fell 4.8%, while Islamic Holding Group was down 2.1%.

GCC Commentary

Saudi Arabia: The TASI Index gained 2.7% to close at 6,749.7. Gains were led by the Software & Services and Materials indices, rising 6.3% and 5.5%, respectively. Rabigh Refining & Petrochemical rose 9.9%, while Saudi British Bank was up 9.8%.

Dubai: The DFM Index gained 0.1% to close at 1,722.9. The Real Estate & Construction index rose 3.4%, while the Insurance index gained 0.4%. Emaar Malls rose 10.7%, while Amlak Finance was up 4.8%.

Abu Dhabi: The ADX General Index gained 0.4% to close at 3,758.4. The Energy index rose 2.2%, while the Banks index gained 1.1%. Ras Al Khaimah Cement Company rose 14.9%, while Arkan Building Materials Company was up 4.5%.

Kuwait: The Kuwait All Share Index fell 1.0% to close at 4,702.1. The Telecom. index declined 1.9%, while the Banks index fell 1.4%. Educational Holding Group declined 8.9%, while Al Manar Financing & Leasing was down 8.6%.

Oman: The MSM 30 Index fell 1.2% to close at 3,383.5. Losses were led by the Industrial and Financial indices, falling 1.3% and 1.0%, respectively. United Power Company declined 9.8%, while Oman Qatar Insurance was down 6.3%.

Bahrain: The BHB Index fell 0.9% to close at 1,329.8. The Commercial Banks index declined 1.7%, while the other indices ended flat or in green. Ahli United Bank declined 2.3%, while National Bank of Bahrain was down 2.1%.

Market Indicators	02 Apr 20	01 Apr 20	%Chg.
Value Traded (QR mn)	212.1	172.3	23.1
Exch. Market Cap. (QR mn)	478,182.1	461,423.6	3.6
Volume (mn)	91.6	82.8	10.7
Number of Transactions	6,229	4,841	28.7
Companies Traded	44	45	(2.2)
Market Breadth	33:8	21:21	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	16,175.32	3.2	(0.2)	(15.7)	12.5
All Share Index	2,639.35	3.5	0.1	(14.8)	13.2
Banks	3,870.74	4.5	0.8	(8.3)	12.6
Industrials	2,131.07	3.8	0.0	(27.3)	14.9
Transportation	2,241.48	0.4	0.4	(12.3)	11.1
Real Estate	1,229.58	1.2	(1.0)	(21.4)	10.7
Insurance	2,049.18	2.0	0.8	(25.1)	34.3
Telecoms	773.27	1.5	(2.9)	(13.6)	12.8
Consumer	6,584.65	(0.1)	(3.6)	(23.8)	15.2
Al Rayan Islamic Index	3,191.03	2.6	(0.1)	(19.2)	13.8

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emaar Malls	Dubai	1.14	10.7	10,284.4	(37.7)
Mesaieed Petro. Holding	Qatar	1.65	10.0	8,328.9	(34.2)
Rabigh Refining & Petro.	Saudi Arabia	12.20	9.9	7,174.2	(43.7)
Saudi British Bank	Saudi Arabia	22.60	9.8	1,481.2	(34.9)
Saudi Industrial Inv.	Saudi Arabia	18.00	9.0	963.5	(25.0)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ominvest	Oman	0.30	(5.6)	20.0	(11.2)
Abu Dhabi Comm. Bank	Abu Dhabi	4.18	(5.0)	3,385.8	(47.2)
Oman Telecom. Co.	Oman	0.57	(3.1)	8.2	(4.7)
Mouwasat Medical Serv.	Saudi Arabia	78.10	(2.7)	198.7	(11.3)
Bank Muscat	Oman	0.31	(2.5)	1,361.6	(26.0)

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%
Mesaieed Petrochemical Holding	1.65	10.0	8,328.9	(34.2)
Salam International Inv. Ltd.	0.24	6.7	19,967.3	(54.0)
QNB Group	18.00	5.8	2,448.1	(12.6)
Qatar Islamic Bank	14.85	5.3	772.5	(3.1)
Industries Qatar	6.95	4.5	1,235.4	(32.4)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Aamal Company	0.57	(4.8)	4,036.2	(29.8)
Islamic Holding Group	1.32	(2.1)	67.5	(30.8)
Qatari Investors Group	1.17	(1.6)	253.1	(34.9)
Qatar Fuel Company	16.15	(0.3)	2,128.4	(29.5)
Qatar Navigation	4.84	(0.2)	91.2	(20.7)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.24	6.7	19,967.3	(54.0)
Ezdan Holding Group	0.51	(0.2)	14,766.5	(16.4)
Mesaieed Petrochemical Holding	1.65	10.0	8,328.9	(34.2)
Masraf Al Rayan	3.71	2.8	5,731.5	(6.3)
Aamal Company	0.57	(4.8)	4,036.2	(29.8)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.00	5.8	43,256.7	(12.6)
Qatar Fuel Company	16.15	(0.3)	34,030.4	(29.5)
Masraf Al Rayan	3.71	2.8	21,024.1	(6.3)
Mesaieed Petrochemical Holding	1.65	10.0	13,141.7	(34.2)
Qatar Islamic Bank	14.85	5.3	11,203.4	(3.1)

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*	8,458.32	3.2	(0.2)	3.1	(18.9)	57.48	129,778.6	12.5	1.2	4.8
Dubai	1,722.87	0.1	(4.8)	(2.7)	(37.7)	53.90	72,123.5	6.3	0.6	7.2
Abu Dhabi	3,758.35	0.4	(0.3)	0.6	(26.0)	32.53	112,337.0	11.0	1.0	6.6
Saudi Arabia	6,749.69	2.7	6.7	3.8	(19.5)	1,351.91	2,103,972.6	19.2	1.6	3.9
Kuwait	4,702.11	(1.0)	(4.0)	(2.5)	(25.2)	98.43	85,827.2	11.7	1.1	4.7
Oman	3,383.54	(1.2)	(4.4)	(1.9)	(15.0)	6.90	14,774.5	6.8	0.6	8.2
Bahrain	1,329.78	(0.9)	(4.2)	(1.5)	(17.4)	26.84	20,526.1	9.5	0.8	6.0

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 3.2% to close at 8,458.3. The Banks & Financial Services and Industrials indices led the gains. The index rose on the back of buying support from GCC and non-Qatari shareholders despite selling pressure from Qatari shareholders.
- Mesaieed Petrochemical Holding Company and Salam International Investment Limited were the top gainers, rising 10.0% and 6.7%, respectively. Among the top losers, Aamal Company fell 4.8%, while Islamic Holding Group was down 2.1%.
- Volume of shares traded on Thursday rose by 10.7% to 91.6mn from 82.8mn on Wednesday. However, as compared to the 30-day moving average of 124.7mn, volume for the day was 26.5% lower. Salam International Investment Limited and Ezdan Holding Group were the most active stocks, contributing 21.8% and 16.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	27.34%	50.16%	(48,402,480.61)
Qatari Institutions	10.12%	15.81%	(12,075,160.52)
Qatari	**37.46%**	**65.97%**	**(60,477,641.13)**
GCC Individuals	1.37%	1.13%	513,839.87
GCC Institutions	3.45%	2.29%	2,459,785.21
GCC	**4.82%**	**3.42%**	**2,973,625.08**
Non-Qatari Individuals	11.50%	14.15%	(5,633,895.09)
Non-Qatari Institutions	46.23%	16.46%	63,137,911.13
Non-Qatari	**57.73%**	**30.61%**	**57,504,016.05**

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

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
04/02	US	US Census Bureau	Trade Balance	Feb	-$39.9bn	-$40.0bn	-$45.5bn
04/02	US	Department of Labor	Initial Jobless Claims	28-Mar	6,648k	3,763k	3,307k
04/02	US	Department of Labor	Continuing Claims	21-Mar	3,029k	4,941k	1,784k
04/02	US	Bloomberg	Bloomberg Consumer Comfort	29-Mar	56.3	–	59.7
04/02	US	US Census Bureau	Factory Orders	Feb	0.0%	0.2%	-0.5%
04/03	US	Markit	Markit US Services PMI	Mar	39.8	38.5	39.1
04/03	US	Markit	Markit US Composite PMI	Mar	40.9	–	40.5
04/03	US	Institute for Supply Management	ISM Non-Manufacturing Index	Mar	52.5	43	57.3
04/03	UK	Markit	Markit/CIPS UK Services PMI	Mar	34.5	34.8	35.7
04/03	UK	Markit	Markit/CIPS UK Composite PMI	Mar	36.0	36.0	37.1
04/02	EU	Eurostat	PPI MoM	Feb	-0.6%	-0.4%	0.2%
04/02	EU	Eurostat	PPI YoY	Feb	-1.3%	-0.8%	-0.7%
04/03	EU	Markit	Markit Eurozone Services PMI	Mar	26.4	28.2	28.4
04/03	EU	Markit	Markit Eurozone Composite PMI	Mar	29.7	31.4	31.4
04/03	Germany	Markit	Markit Germany Services PMI	Mar	31.7	34.2	34.5
04/03	Germany	Markit	Markit/BME Germany Composite PMI	Mar	35.0	36.8	37.2
04/03	France	Markit	Markit France Services PMI	Mar	27.4	29.0	29
04/03	France	Markit	Markit France Composite PMI	Mar	28.9	30.1	30.2
04/03	Japan	Markit	Jibun Bank Japan PMI Services	Mar	33.8	–	32.7
04/03	Japan	Markit	Jibun Bank Japan PMI Composite	Mar	36.2	–	35.8
04/03	China	Markit	Caixin China PMI Composite	Mar	46.7	–	27.5
04/03	China	Markit	Caixin China PMI Services	Mar	43.0	39.0	26.5
04/02	India	Markit	Markit India PMI Mfg	Mar	51.8	–	54.5

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	7	Due
QIBK	Qatar Islamic Bank	15-Apr-20	10	Due
KCBK	Al Khalij Commercial Bank	15-Apr-20	10	Due
QFLS	Qatar Fuel Company	15-Apr-20	10	Due
QIGD	Qatari Investors Group	19-Apr-20	14	Due
ABQK	Ahli Bank	20-Apr-20	15	Due
CBQK	The Commercial Bank	21-Apr-20	16	Due
DOHI	Doha Insurance Group	22-Apr-20	17	Due
MCGS	Medicare Group	22-Apr-20	17	Due
UDCD	United Development Company	22-Apr-20	17	Due

Source: QSE

Tickers	Company Name	Date of reporting 1Q2020 results	No. of days remaining	Status
DHBK	Doha Bank	22-Apr-20	17	Due
NLCS	Alijarah Holding	23-Apr-20	18	Due
MARK	Masraf Al Rayan	23-Apr-20	18	Due
ORDS	Ooredoo	29-Apr-20	24	Due

Source: QSE

News

Qatar

- **AM Best revises outlooks to 'Positive' for QISI –** Qatar Islamic Insurance Group (QISI) announced that the rating agency AM Best has revised the outlook to 'Positive' from 'Stable' and affirmed the Financial Strength Rating of 'B+' (Good) and the Long-Term Issuer Credit Rating of 'BBB' of the company. The ratings reflect QISI's balance sheet strength, which AM Best categories as very strong, as well as its strong operating performance, limited business profile and appropriate enterprise risk management. The revision of the outlook to 'Positive' reflects AM Best's expectation that QISI will continue to generate strong operating returns over the short to medium term. (QSE)
- **MERS closes its branch in Muaither to meet the demands of its customers –** Al Meera Consumer Goods Company (MERS) has closed its branch in Muaither – in order to meet the demands of its customers, done through online-websites. (QSE)
- **NLCS to disclose its 1Q2020 financial statements of April 23 –** Alijarah Holding Company (NLCS) announced its intent to disclose its 1Q2020 financial statements results on April 23, 2020. (QSE)
- **ORDS to disclose its 1Q2020 financial results on April 29 –** Ooredoo (ORDS) announced its intent to disclose its 1Q2020 financial statements results on April 29, 2020. (QSE)
- **CBQK to disclose its 1Q2020 financial statements on April 21 –** The Commercial Bank (CBQK) announced its intent to disclose its 1Q2020 financial statements results on April 21, 2020. (QSE)
- **DOHI to disclose its 1Q2020 financial statements on April 22 –** Doha Insurance Group (DOHI) announced its intent to disclose its 1Q2020 financial statements results on April 22, 2020. (QSE)
- **Capital Intelligence affirms foreign currency ratings of CBQK –** Global credit rating agency Capital Intelligence (CI) has affirmed the long-term foreign currency rating (LT FCR) and short-term foreign currency rating (ST FCR) of The Commercial Bank (CBQK) at 'A-' and 'A1', respectively. At the same time, CI has also affirmed the lender's bank standalone rating (BSR) of 'bbb-', core financial strength (CFS) rating of 'bb+' and extraordinary support level (ESL) of 'high'. The lender's LT FCR is set three notches above the BSR to reflect the high likelihood of official extraordinary support in case of need. This is based on the government's strong track record of support for Qatari banks. At different points in time such support has included the transfer of 'difficult investments' to the state, the transfer of real estate loans and the injection of additional equity. Most recently, all banks were able to rely on a sharp increase in government deposits to stave off any liquidity pressures following the June 2017 embargo led by Saudi Arabia and the UAE. The government's financial capacity to support the bank is also considered as strong given Qatar's sovereign rating. CI factored in the bank's well-established domestic franchise and its fairly significant operations abroad, notably in Turkey, which provides diversification. The bank's new business model of de-risking legacy assets, diversifying its credit portfolio, and reshaping its loan book are gradually showing positive results. Highlighting that one positive area of the financial metrics is profitability, where operating and net profitability have improved; it said the profitability has recovered significantly over the last two years due to lower credit costs, steady improvement in operating cost efficiency, and higher net interest margin. Stressing that CBQK would need to boost its capital over the medium term if credit growth accelerates, CI stated total equity to total assets ratio (balance sheet leverage) is better than those of its peers. Its CET-1 (common equity Tier) ratio is well above the minimum requirement of the Qatar Central Bank (QCB), while its capital adequacy ratio comfortably exceeds the QCB floor for total capital including conservation buffer, D-SIB (domestic systematically important bank) buffer and ICAAP Pillar II capital charge. (Gulf-Times.com)
- **QIIK to disclose its 1st quarter financial statements on April 22, 2020 –** Qatar International Islamic Bank (QIIB) announces its intent to disclose its first quarter Financial Statements results for the year 2020 on 22/4/2020. (QSE)
- **S&P affirms QIBK rating at 'A-/A-2' with 'Stable' outlook –** International credit rating agency, Standard & Poor's (S&P) has affirmed Qatar Islamic Bank's (QIB) Issuer Credit Rating at 'A-/A-2' with a Stable Outlook. S&P, one of the top international rating agencies in the world, cited: "Our ratings on QIB reflect our view of its robust corporate banking franchise, strong capitalization, adequate liquidity and favorable position as Qatar's largest Islamic bank. We expect QIB to continue its foray into government and government-related entity (GRE) business while protecting its robust private-sector franchise." The S&P report also highlighted that: "QIB's funding profile is dominated by core customer deposits. We expect these deposits to remain fairly stable as they are underpinned by strong long-term relationships. The bank has also been actively tapping into the sukuk market over the past few years." The report also reiterated that QIB's long term rating is in line with the Bank's high systematic importance in Qatar and the agency's assessment of the Qatari government as highly supportive to the domestic banking sector. The report noted that: "The long-term rating on QIB is three notches higher than the Stand-Alone Credit Profile (SACP) to incorporate our view of a high likelihood of

extraordinary government support if needed, given its client and shareholder base." QIB has demonstrated steady financial growth over the past years and has been setting a benchmark for Islamic Banks in the region with its embrace of cutting-edge banking technologies, and its customer-centric approach to both its product offering and the overall banking experience. Registering increasing growth rates for the seventh consecutive year, QIB delivered a record performance in 2019, continued to make strong progress on its digital transformation program and grew across all its business segments. QIB also increased their customer satisfaction scores, further invested in their people and improved internal processes and efficiency across the entire group. Bassel Gamal, QIB's Group CEO, said: "We are pleased with the affirmation of the rating by S&P. The rating is a testament to our strength and commitment to the local economy and banking industry. The Bank achieved positive financial results during the fiscal year of 2019, with a strong performance across all our divisions, registering strong earnings and returns for the shareholders. As mentioned in the S&P report, we have robust asset quality indicators with the ratio of non-performing financing assets to total financing assets at 1.3 %, one of the lowest in the industry. (QSE)

- **Moody's: Qatari banks well-capitalized, to benefit from government support if required –** Qatari banks are well-capitalized and profitable and they are highly likely to benefit from government support if required; reflecting the solid base to absorb unexpected losses in view of the weak oil prices and the pandemic COVID-19, according to Moody's, an international credit rating agency. The government has already come up with QR75bn financial package in order to mitigate the rising risks of the global pandemic. Besides, it had announced QR10bn funds injection to boost the Qatar Stock Exchange. "In most GCC banking systems, capital buffers are substantial, providing a solid base to absorb unexpected losses. Most banking systems also benefit from a high to very high likelihood of government support if needed," Moody's said, forecasting Qatar's growth to be flat this year compared with fall in other Gulf sovereigns like Saudi Arabia, the UAE, Bahrain and Oman. However, the outlook for the Qatari banking system has been changed to 'Negative' from 'Stable' to reflect the deteriorating operating environment for banks because of the coronavirus pandemic and hydrocarbon price collapse. Moody's expects the severe disruption to civilian life and to business activities could lead to rising problem loans and weaker profitability. Additionally, liquidity pressures in the banking system will increase as banks' reliance on foreign funding will increase over the outlook period. Finding that oil prices are substantially below those required to balance the budgets of the GCC countries; it said this would weigh on government revenues and lead to spending cutbacks that will rein back growth in the non-oil sectors of the economy where the banks do most of their business. Additionally, banks would face a reduced flow of deposits as falling oil prices squeeze government revenues – the largest depositor in most GCC banking systems. (Gulf-Times.com)
- **Kahramaa plans to open 100 electric car charging stations annually –** The Qatar General Electricity and Water Corporation (Kahramaa) has chalked out a plan to set up 100 charging points annually for electric vehicles as part of the corporation's efforts to promote renewable energy consumption and fight against carbon emission. Manager of Conservation and Energy Efficiency Department at Kahramaa, Engineer Abdulaziz Ahmed Al-Hammadi said that the plan will be implemented in cooperation with public sector entities. He said, "The initiative is to encourage the use of electric vehicles by establishing a supportive infrastructure that reduces harmful carbon emissions in line with the Qatar National Vision 2030 and the National Development Strategy 2018-2022. Besides, it will help the country achieve sustainability while these efforts will help Qatar transform into a developed country that's capable of achieving sustainable development." (Gulf-Times.com)

International

- **IMF sees coronavirus-induced global downturn 'way worse' than financial crisis –** The coronavirus pandemic has brought the global economy to a standstill and plunged the world into a recession that will be "way worse" than the global financial crisis a decade ago, the head of the International Monetary Fund said on Friday, calling it "humanity's darkest hour." The IMF's managing director, Kristalina Georgieva, speaking at a rare joint news conference with the leader of the World Health Organization (WHO), called on advanced economies to step up their efforts to help emerging markets and developing countries survive the economic and health impact of the pandemic. "This is a crisis like no other," she told some 400 reporters on a video conference call. "We have witnessed the world economy coming to a standstill. We are now in recession. It is way worse than the global financial crisis" of 2008-2009. World Bank President David Malpass echoed her outlook in a post on LinkedIn, writing, "Beyond the health impacts from the COVID-19 pandemic, we are expecting a major global recession." More than 90 countries - nearly half the IMF's 189 members - have asked for emergency funding from the IMF to respond to the pandemic, she said. The IMF and WHO have called for emergency aid to be used mainly to strengthen health systems, pay doctors and nurses, and buy protective gear. (Reuters)
- **IMF, WHO urge leaders to focus on health spending to get virus under control –** The IMF and the World Health Organization on Friday urged leaders of developing countries to prioritize paying medical staff, buying protective gear and other health expenditures in their response to the COVID-19 pandemic. In a joint column in the UK's Telegraph newspaper, the heads of the two institutions said getting the new coronavirus under control was a prerequisite to reviving the global economy, and it was critical to strike the right balance in spending emergency aid. "Our joint appeal to policymakers, especially in emerging market and developing economies, is to recognize that protecting public health and putting people back to work go hand-in-hand," wrote International Monetary Fund Managing Director Kristalina Georgieva and WHO Director-General Tedros Adhanom Ghebreyesus. "As financing to support severely constrained public budgets reaches the countries in need, our joint plea is to place health expenditures at the top of the priority list," they said. The IMF and WHO leaders also underscored their joint call with the World Bank for debt relief for the poorest countries, a step that has not yet been backed by the Group of 20 (G20) major economies. (Reuters)
- **World Bank sees 'major global recession' due to pandemic –** World Bank Group President David Malpass on Friday said the

rapidly spreading COVID-19 pandemic was expected to cause a "major global recession" that would likely hit the poorest and most vulnerable countries the hardest. "We intend to respond forcefully and massively with support programs, especially for poor countries," Malpass said in a posting on the LinkedIn networking site, adding that he planned to speak soon with the leaders of Ethiopia, Kenya and other countries. (Reuters)

- **Airline industry braces for lengthy recovery from coronavirus crisis –** International seat capacity has dropped by almost 80% from a year ago and half the world's airplanes are in storage, new data shows, suggesting the aviation industry may take years to recover from the coronavirus pandemic. Carriers including United Airlines Holdings Inc and Air New Zealand Ltd have warned they are likely to emerge from the crisis smaller, and there are fears others may not survive. "It is likely that when we get across to the other side of the pandemic, things won't return to the vibrant market conditions we had at the start of the year," said Olivier Ponti, vice president at data firm ForwardKeys. "It's also possible that a number of airlines will have gone bust and uneconomic discounts will be necessary to attract demand back," he said in a statement. ForwardKeys said the number of international airline seats had fallen to 10 million in the week of March 30 to April 5, down from 44.2mn a year ago. Data firm OAG said that several years of industry growth had been lost and that it could take until 2022 or 2023 before the volume of fliers returns to the levels that had been expected for 2020. Cirium, another aviation data provider, said about half of the world's airplane fleet was in storage. Plane makers are looking at drastic cuts in wide-body production amid a slump in demand for the industry's largest jetliners, manufacturing and supplier sources said. Deliveries of long-range jets, such as the Boeing Co 777 or 787 and Airbus SE A350 or A330, have been particularly badly hit as airlines seek deferrals and many withhold progress payments. (Reuters)
- **Trump escalates oil tariff threat amid renewed Saudi-Russia rift –** The US President Donald Trump ramped up his threats to impose oil import tariffs as renewed diplomatic tension between Saudi Arabia and Russia threatens efforts to reach a new deal to cut output. Trump said Saturday at a White House press briefing he'd use tariffs if needed to protect the domestic oil industry, a day after meeting with US industry leaders. A gathering of OPEC and other major producers scheduled for Monday was delayed until later in the week as Saudi Arabia and Russia traded barbsabout who's to blame for the collapse in crude prices. Optimism over prospects for a deal sent benchmark oil futures to a record gain this week, despite an unprecedented global demand loss from the COVID-19 outbreak. A failure to come to an agreement would likely cause prices to crater again. The US oil industry is split on the idea of tariffs, with some independent shale producers – who have been hardest hit by the recent market slump – in support, while refiners and large integrated companies are typically opposed. The American Petroleum Institute, which helped arrange Friday's meeting, argues tariffs would inject uncertainty into an already rattled global marketplace. "If I have to do tariffs on oil coming from outside, or if I have to do something to protect thousands and tens of thousands of energy workers, and our great companies that produce all these jobs, I'll do whatever I have to do," Trump said Saturday. Low oil prices are "going to hurt a lot of jobs," he said. (Bloomberg)
- **Trump says will ask Congress for more small business funds if money runs out –** US President Donald Trump said on Saturday he would ask Congress for more money to make loans to small businesses struggling with the economic fallout from the coronavirus outbreak if the original $349 billion allocated in a fiscal stimulus bill runs out. "I will immediately ask Congress for more money to support small businesses under the @pploan if the allocated money runs out," Trump wrote in a post on Twitter. The launch of the small business bailout fund has been rocky since it opened on Friday morning. Tens of thousands of businesses have swamped lenders; community bankers have complained of an inability to access the Small Business Administration (SBA)'s system and the Treasury Department was still issuing updated guidance and form templates on Friday afternoon. (Reuters)
- **ISM: US services sector growth slows; employment drops –** US services sector activity slowed to a more than 3-1/2-year low in March, with industries reporting a moderation in new orders and decline in employment amid the coronavirus pandemic, which has brought the country to sudden stop. The Institute for Supply Management (ISM) said on Friday its non-manufacturing activity index fell to a reading of 52.5 last month, the lowest since August 2016, from 57.3 in February. A reading above 50 indicates expansion in the services sector, which accounts for more than two-thirds of US economic activity. Economists polled by Reuters had forecast the index dropping to a reading of 44.0 in March. The smaller-than-expected decline in the non-manufacturing index reflected a jump in the survey's measure of supplier deliveries to a reading of 62.1 last month from 52.4 in February. A lengthening in suppliers' delivery time is normally associated with increased activity, which would be a positive contribution. In this case, however, slower supplier deliveries indicate supply shortages rather than stronger demand. The ISM reported on Wednesday that manufacturing activity contracted in March, with new orders received by factories tumbling to an 11-year low. (Reuters)
- **US weekly jobless claims blow past 6mn as virus lockdowns spread –** The number of Americans filing claims for unemployment benefits shot to a record high of more than 6mn last week as more jurisdictions enforced stay-at-home measures to curb the coronavirus pandemic, which economists say has pushed the economy into recession. Thursday's weekly jobless claims report from the Labor Department, the most timely data on the economy's health, reinforced economists' views that the longest employment boom in US history probably ended in March. With a majority of Americans now under some form of lockdown, claims are expected to rise further. Economists said worsening job losses underscored the need for additional fiscal and monetary stimulus. President Donald Trump last week signed a historic $2.3tn package, with provisions for companies and unemployed workers. The Federal Reserve has also undertaken extraordinary measures to help companies weather the highly contagious virus, which has brought the country to a halt. (Reuters)
- **PMI: Eurozone business activity collapses in March as coronavirus spreads –** Eurozone business activity collapsed last

month as attempts to contain the coronavirus pandemic pushed governments across the continent to shut down vast swathes of their economies, from shops to factories to restaurants, a survey showed on Friday. The pandemic has infected more than a million people worldwide, paralyzing economies as consumers worried about their health and job security stay indoors and rein in spending. IHS Markit's final Composite Purchasing Managers' Index plummeted to a record low of 29.7 in March from February's 51.6, lower than the flash reading of 31.4 and marking by far its biggest one-month drop since the survey began in July 1998. The 50 mark separates growth from contraction. "The data indicate that the Eurozone economy is already contracting at an annualized rate approaching 10%, with worse inevitably to come in the near future," said Chris Williamson, chief business economist at IHS Markit. That was borne out by the survey as demand fell at the fastest rate on record. The new business index sank to 27.7 from 51.2, much weaker than the flash reading of 29.5. Like their manufacturing counterparts, activity in the bloc's dominant service industry also almost ground to a halt. Its PMI dropped to a survey-low of 26.4 from February's 52.6, below the preliminary estimate of 28.4. (Reuters)

- **EU announces work scheme, aid for farmers, fishermen amid coronavirus pandemic –** The European Commission proposed on Thursday a package of measures to soften the impact of the coronavirus pandemic on the European Union (EU) economy, including a short-time work scheme and easier access to funds for farmers and fishermen. The Commission expects the EU to go into a deep recession this year because of the coronavirus outbreak, which has slowed economic activity to a crawl across the 27 members states. "The depth and the breadth of this crisis requires a response unprecedented in scale, speed and solidarity," the EU executive said in a document outlining the measures. To prevent firms from laying off workers when there is not enough work, the Commission proposed that all EU countries adopt a German scheme under which employers cut working hours, not jobs, and the government pays for the difference in salaries, so that workers retain their spending power. To finance the plan, the Commission would borrow 100bn Euros on the markets against 25 billion euros in EU governments' guarantees using its triple-A rating. It would then lend the money cheaply to member states, many of which have lower credit ratings. Once asked by a government for help with wage subsidies, the Commission would verify how much extra that country was spending on the scheme and decide the terms of the loan, including the amount, the maximum average maturity and pricing. A Commission proposal for a loan would then have to be approved by EU governments. (Reuters)
- **EU waives customs duties, VAT on imports of medical equipment –** The European Commission approved on Friday requests from EU countries and Britain to temporarily waive customs duties and VAT on imported medical devices and protective equipment to help fight the coronavirus epidemic. The duty-free kit includes masks, testing kits and ventilators and the exemption will apply for a period of 6 months, with a possibility for further extension. The decision takes effect retroactively from January 30. "By waiving customs and VAT duties on imports of these products from outside the EU, the European Commission will help make those products more accessible," Paolo Gentiloni, EU commissioner for the economy, said in a statement. (Reuters)
- **Eurozone retail sales jump on food stocking, online spend in February –** Eurozone retail sales jumped by more than expected in February, the month before coronavirus measures spread across the continent, as shoppers stocked up on food and drink and sharply increased their online spending. Retail sales in the 19 countries sharing the Euro currency rose by 0.9% from January and by 3.0% YoY, the latter a 12-month high, EU statistics office Eurostat said on Friday. Economists had on average forecast a monthly rise of 0.1% and a YoY increase of 1.7%. Sales rose sharpest in the month for food, drink and tobacco, by 2.4%, and for mail order and online sales, up 5.6%. Non-food sales rose a modest 0.2%, with a decline for computer equipment and books. Automotive fuel sales also slipped. Of the larger economies, retail sales were 1.2% higher in Germany and up 1.1% in France, but there were no February data for Italy, the European country first and worst hit by the coronavirus crisis. Compared with a year earlier, food, drink and tobacco sales were also strong, but non-food sales not much weaker, with a decline in spending on clothes, but increases for electrical goods, furniture, computer equipment, books, medical goods and a very sharp spike for online sales. (Reuters)
- **UK to spend over 60bn pounds to keep economy afloat –** Britain has pledged over 60bn Pounds ($73.70bn) in public spending and tax cuts in an attempt to shield its economy from a deep recession caused by the coronavirus outbreak, and the final bill could end up being a lot higher. Finance minister Rishi Sunak has rushed out a string of emergency measures to support workers' incomes, offer companies tax breaks and make the welfare system more generous. The government will also suffer a hit to its tax revenues, meaning this year's budget deficit could balloon to around 200bn Pounds, a war-time level of around 10% of economic output, according to analysts. The center piece of the plan to shield Britain from the full force of the crisis is a job retention scheme. Public grants will cover 80% of the pay of workers who are temporarily laid-off for up to 2,500 Pounds a month each. The scheme will cover the cost of wages backdated to March 1 and will run for at least three months. The government followed up its announcement by pledging more public money to cover national insurance and pension contributions for companies that temporarily ask employees not to work. The move could save companies an extra 300 Pounds a month for each employee, the finance ministry said. (Reuters)
- **Japan service sector activity slumps most in a decade as virus impact spreads –** Japan's services sector contracted at the fastest pace since the global financial crisis in March as a shock to demand from the coronavirus pandemic greatly hit business activity and expectations. The world's third-largest economy is on the brink of recession after the coronavirus squashed hopes of a domestic-led recovery, ramping up pressure on policymakers to take major steps to support the economy. The final seasonally adjusted au Jibun Bank Japan Services Purchasing Managers' Index (PMI) slumped to 33.8 in March from 46.8 in the previous month. The headline figure marked the lowest reading since February 2009 during the global financial crisis but was slightly above a preliminary 32.7 released last week. The survey showed business expectations shrank at their fastest pace in a decade,

while new business was at its lowest level in nearly eight years, suggesting firms are struggling with the virus outbreak. Companies also reported business closures at key clients and event cancellations, IHS Markit said. (Reuters)

- **Japan to roll out huge stimulus package next week as pandemic pain deepens –** Japanese Prime Minister Shinzo Abe said on Friday a stimulus package to combat the coronavirus pandemic will be rolled out next week, and target small firms and households hardest hit by social distancing policies that are affecting consumption. The package will include spending on medical supplies, as well as cash payouts to small firms and households facing sharp falls in income, Abe said. The government will also urge private financial institutions to join government-affiliated lenders in offering zero-interest rate loans to cash-strapped small and midsized firms, he said. "We'll compile the package next week," Abe told parliament. "We'll deliver in a short period of time a targeted, bold package" that will help the economy achieve a V-shaped recovery, he said. A senior ruling party official told reporters on Friday he has agreed with Abe to offer 300,000 yen ($2,800) in cash payments per household that suffers a certain degree of income falls from the pandemic. (Reuters)
- **Caixin PMI: China's services activity shrinks further in March, job cuts fastest on record –** China's services sector struggled to get back on its feet in March after a brutal month of unprecedented shop closures and public lockdowns amid the coronavirus outbreak, a private survey showed on Friday. Services companies cut jobs at the fastest pace on record as orders plunged for the second straight month and businesses scrambled to reduce their operating costs. Export orders also slumped again as more countries imposed their own tough virus containment measures. While the Caixin/Markit services Purchasing Managers' Index (PMI) rebounded to 43 in March from a record low of 26.5 in February, it still remained deep in contraction territory and was the second weakest reading since the survey began in late 2005. The 50-point mark separates growth from contraction on a monthly basis. The findings add to fears that consumer-facing services firms could be hit much harder and longer by the downturn than factories, which are slowly getting back to work, albeit at below normal levels. Similar business surveys will be released for Europe and the United States later on Friday. The services sector is an important generator of jobs in China and accounts for about 60% of its economy, which now looks likely to shrink for the first time in 30 years. Many companies are smaller, privately owned firms with much less cash to see them through an extended slumps than larger, state-owned enterprises. Caixin's composite manufacturing and services PMI, also released on Friday, picked up to 46.7 from a record low of 27.5 in February. Though the rise suggests that the sharp initial shock from the virus outbreak is easing, the reading remained below historical averages. (Reuters)
- **China frees up $56bn for virus-hit economy by slashing small banks' reserve requirements –** China's central bank said on Friday it was cutting the amount of cash that small banks must hold as reserves, releasing around 400bn Yuan ($56.38bn) in liquidity to shore up the economy, which has been badly jolted by the coronavirus crisis. The latest stimulus move comes as the world's second-largest economy looks likely to shrink for the first time in at least 30 years. Hopes for a quick recovery are being soured by the rapid spread of the disease worldwide, crushing global demand. "The deterioration of the global economy is bound to have a great impact on China's economy, which requires that China's policy should be further loosened and be more flexible," said Yan Se, chief economist at Founder Securities. The People's Bank of China (PBoC) said on its website it will cut the reserve requirement ratio (RRR) for those banks by 100 basis points (bps) in two equal steps, the first effective as of April 15 and the second as of May 15. China has about 4,000 small and mid-sized banks. The latest cuts would lower their RRR to 6%. In addition, the interest rate on financial institutions' excess reserves with the central bank would be reduced to 0.35% from 0.72%, effective April 7, the PBoC said. The RRR cut was flagged by the cabinet on Tuesday along with other support measures as Beijing tries to cushion the economic blow from the pandemic, which is fanning worries about heavy job losses. (Reuters)

Regional

- **OPEC+ debates biggest-ever oil cut, awaits US efforts –** OPEC and its allies are working on a deal for an unprecedented oil production cut equivalent to around 10% of worldwide supply in what they expect will be a global effort including the United States, but the White House did not make such a commitment after a Friday meeting with oil companies. While US President, Donald Trump pledged help for the industry at the meeting, he made no commitment to take the extraordinary step of persuading US companies to cut output. In a subsequent phone conference, US Energy Secretary, Dan Brouillette told industry executives that the White House is not negotiating with Saudi Arabia or Russia, but it is encouraging them to come together to reach an agreement to cut production, a source who listened to the call said. The oil market has crashed, with prices falling to $34 a barrel from $65 at the beginning of the year, as a result of the coronavirus pandemic. Fuel demand has dropped by roughly a third, or 30mn bpd, as billions of people worldwide restrict their movements. A global deal to reduce production by as much as 10mn to 15mn bpd would require participation from nations that do not exert state control over output, including the US, now the world's largest producer of crude. Trump said on Thursday he did not make any concessions to Saudi Arabia and Russia, such as agreeing to a US domestic production cut, a move forbidden by US antitrust laws. Some US officials have suggested US production was set for a steep decline anyway because of low prices. (Reuters)
- **OPEC+ meeting delayed as Saudi Arabia and Russia row over oil price collapse –** OPEC and Russia have postponed a Monday meeting to discuss oil output cuts until April 9, OPEC sources said on Saturday, as a dispute between Moscow and Saudi Arabia over who is to blame for plunging crude prices intensified. The delay came amid pressure from US President, Donald Trump for the OPEC led by Saudi Arabia and its allies, a group collectively known as OPEC+, to urgently stabilize global oil markets. Oil prices hit an 18-year low on March 30 due to a slump in demand caused by lockdowns to contain the coronavirus outbreak and the failure of OPEC and other producers led by Russia to extend a deal on output curbs that expired on March 31.

OPEC+ is working on a deal to cut the production of oil equivalent by about 10% of world supply, or 10mn bpd, in what member states expect to be an unprecedented global effort including the US. Washington, however, has yet to make a commitment to join the effort and Russian President Vladimir Putin on Friday put the blame for the collapse in prices on Saudi Arabia - prompting a firm response from Riyadh on Saturday. (Reuters)

- **Russia has no plans to raise oil production –** Russia has no plans to increase its oil output as the market has been oversupplied, Russian Energy Minister, Alexander Novak told Reuters on Thursday. International crude prices have fallen around 50% to under $26 a barrel since the OPEC and other large oil producers led by Russia failed last month to agree to extend their deal to curb output. However, they jumped 10% on Thursday after US President, Donald Trump said he expected Saudi Arabia and Russia to reach an agreement soon to end their oil price war. Novak said Russia has not yet discussed the oil market situation with Saudi Arabia but does not rule this out. (Reuters)
- **Oxford Economics: GCC needs to strengthen fiscal measures to tackle Covid-19 impact –** Governments across the GCC have implemented fiscal and monetary support to ward off the economic impact of the coronavirus pandemic, Oxford Economics has stated in a report. With the exception of one GCC country, however, the fiscal measures have been limited in the region, amounting to only around 0-1.5% of GDP. They have also been primarily focused on reducing costs for business through reduced fees and tax holidays, with limited employment and social support, Oxford Economics stated. "We expect to lower our 2020 GDP forecasts for the GCC further as the toll on economic growth mounts. We therefore think that governments will need to increase the level of support they are providing to the non-oil economy – and that they can afford to do so despite the likelihood that oil prices will average only around $25/bbl for the rest of 2020," Oxford Economics stated. (Gulf-Times.com)
- **IATA: Middle East carriers face $19bn revenue loss due to Covid-19 crisis –** Potential revenue loss by carriers in the Middle East due to the current Covid-19 crisis will be $19bn, IATA stated. This translates into a drop of industry revenues of 39% for the Middle East for 2020 as compared to 2019, it stated. To minimize the broad damage that these losses would have across the African and Middle East economies, it is vital that governments step up their efforts to aid the industry, IATA stated. "Many governments in the region have committed to provide relief from the effect of Covid-19. And some have already taken direct action to support aviation, including Qatar. But more help is needed," IATA stated and called for a mixture of direct financial support, loans, loan guarantees, support for the corporate bond market and tax relief. "We are also starting to see several governments in the region providing some financial and tax reliefs, including deferral of aircraft lease payments, extension of VAT refund payment dates and positive considerations for financial relief from governments across the region," IATA noted. In addition to financial support, IATA called for regulators to support the industry. Key priorities in Africa and the Middle East include providing a package of measures to ensure air cargo operations, including fast track procedures to obtain overflight and landing permits, exempting flight crew members from 14-day quarantine, and removing economic impediments (overflight charges, parking fees, and slot restrictions), providing financial relief on airport and air traffic control (ATC) charges and taxes and ensuring aeronautical information is published, timely, accurately, and without ambiguity, ensuring the airlines can plan and execute their flights. (Gulf-Times.com)
- **Saudi Arabia denies withdrawing from OPEC+ deal, says Russia was the one that withdrew –** The Saudi Foreign Minister, Prince Faisal bin Farhan Al Saud said early on Saturday that a statement attributed to Russia's President, Vladimir Putin about the Kingdom's withdrawal from the OPEC+ deal is not correct, and that Russia is the one that withdrew, state agency (SPA) reported. He added that the Kingdom's stance on shale oil production is known and that it is an important part of energy sources, SPA said. (Reuters)
- **Saudi Arabia's April exports surge on track for 10mn bpd –** Saudi Arabia is ramping up exports in April as promised, with at least 30mn bbl already loaded, putting the Kingdom on course to ship 10mn bpd a day at the current rate, tanker-tracking data compiled by Bloomberg showed. At least 17 supertankers and Suezmax vessels have loaded at Ras Tanura in the Persian Gulf and Yanbu on the Red Sea during April 1 through April 3. (Bloomberg)
- **Saudi Arabia sees 3.8% growth in non-oil sector in 4Q2019 –** Saudi Arabia's non-oil sector grew by 3.8% during the fourth quarter of 2019, compared to 2.2% in the same period of 2018, driven by around 5.2% rise in the private sector. Several economic activities have attained positive growth rates during 4Q2019, including the wholesale and retail trade and restaurant and hotel sector with 9.2%, social and personal services with 8.4%, finance and insurance activities with 8.1%, and building and construction with 7.7%, official data showed. In 2019, the Saudi non-oil sector increased by 3.31%, attributed to a growth of around 3.78% and 2.2% in the private and government sectors, respectively, according to the Saudi General Authority for Statistics (GaStat). Meanwhile, Saudi Arabia saw a 0.3% decline in the GDP at constant prices in 4Q2019, against a 4.3% growth in the same quarter of 2018. The drop in the GDP resulted from a 5.8% decrease in the oil sector. On the other hand, Saudi Arabia's GDP at current prices inched up by 0.4% during the last three months of 2019 to record SR769.7bn. The per capita GDP reached SR22,290, compared to SR22,730 in the same period of 2018. (Zawya)
- **Saudi Telecom delays $2bn -debt talks for Vodafone deal –** Saudi Telecom Co. has postponed talks to raise debt to fund the acquisition of Vodafone Group stake in its Egyptian business because of the coronavirus outbreak, according to people with knowledge of the matter. Work on the acquisition is still continuing and the Kingdom's largest telecoms operator may resume negotiations with banks for a loan of more than $2bn once things have settled, sources said. Talks started before the virus rapidly spread and shutdown a swathe of global economies, they said. The company is also considering other financing options, sources added. (Bloomberg)
- **UAE appoints Abdulhamid Saeed as new central bank governor –** The UAE's President appointed Abdulhamid Saeed as the new Central Bank of the UAE (CBUAE) Governor, the government communication office stated. Saeed is replacing Mubarak Rashid al-Mansouri who has been at the helm of the institution since

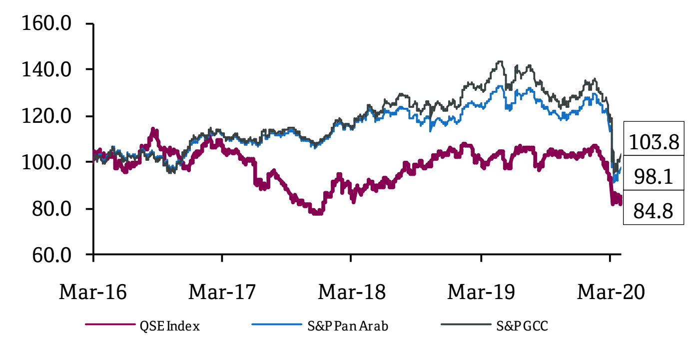
2014. The UAE's monetary policy is closely linked to that of the US Federal Reserve due to a long-standing dirham currency peg to the dollar. (Reuters)

- **UAE proposes delaying Expo 2020 until October 2021 due to coronavirus –** The UAE has proposed delaying Expo 2020 Dubai until October 2021 because of the pandemic caused by the new coronavirus, the Bureau International des Expositions (BIE) stated. Expo is a major business and cultural event held every five years in cities around the world selected by the BIE based in Paris. It stated the UAE was now proposing to hold the event from October 1, 2021 until March 31, 2022. The Expo following Dubai is due to be held in Osaka, Japan, in 2025. Dubai organizers last month backed a proposal to postpone the event due to start on October 20 this year and run until April 10 because of the pandemic. The executive committee of the BIE will meet on April 21 to discuss changing the date, it said on its website. Two-thirds of the BIE's 170 member states must support the proposal for the dates to be changed. A final decision is expected in June when member states meet. (Reuters)
- **Dubai theme park operator delays interest payments on AED4.2bn loan –** Dubai theme park operator DXB Entertainments has reached a deal with banks to defer a "significant proportion" of the interest on a AED4.2bn syndicated loan over the next 15 months, it stated. The agreement will significantly improve the company's near-term liquidity, Managing Director, Mohamed Almulla said. DXB Entertainments said it was extending the closure of its four theme parks until further notice. The Motiongate, Legoland, Legoland Waterpark and Bollywood parks, closed during March due to the coronavirus outbreak, were expected to reopen this week. Almulla said there would be a material impact from the coronavirus outbreak on its business, but that it was too early to quantify. He said contingency plans had been activated and that the company was implementing cost savings, without providing further details. (Reuters)
- **ADNOC raised oil output to 4.03mn bpd on April 1 –** Abu Dhabi National Oil Co. (ADNOC) increased oil output to 4.03mn bpd on April 1 from 3.52mn bpd in March, two industry sources said. ADNOC is committed to reaching its targets in production capacity growth, the state-run WAM news agency cited its chief executive Sultan Al-Jaber as saying on Saturday. "We will continue to invest responsibly and smartly through the downturn," he said, alluding to the collapse in global oil prices. "ADNOC remains committed to its targets in production capacity growth in order to ensure a stable and reliable supply of energy products to its global customers." (Reuters)
- **Abu Dhabi Commercial Bank in talks with NMC Health over $981mn debt exposure –** Abu Dhabi Commercial Bank (ADCB) is in talks with troubled UAE hospital operator NMC Health to tackle the company's financial defaults, the bank stated. ADCB has an exposure of about $981mn to NMC, which represents less than 1% of the bank's total assets, it stated. "The bank has initiated discussions with the NMC Health Group and other substantial creditors to implement appropriate solutions to address the company's financial defaults, governance and other issues," it said in a bourse filing. London-listed NMC, which could not be immediately reached for comment, has recently revised its debt position to $6.6bn, much higher than earlier estimated. The company, which has been in crisis since US firm Muddy Waters questioned its financial statements in December, has also recently named a chief restructuring officer to resolve its indebtedness woes. ADCB applied to Britain's High Court on April 2 to appoint joint administrators for troubled hospital operator NMC Health , the bank said in a bourse filing on Saturday. (Reuters)
- **Dana Gas delays decision on Egypt assets sale –** The UAE-based energy producer Dana Gas has delayed a decision on whether to sell its Egyptian assets because of the market turmoil caused by the coronavirus outbreak, sources close to the talks said. In February, Dana Gas stated it had received bids from some companies for its assets in Egypt and that a final decision would be made by the end of March. "A decision has not been reached yet, mainly due to the coronavirus global impact. However the (assets) valuation process is under way," one of the sources told Reuters on condition of anonymity. No specific date was given for reaching a decision on the potential sale, but a second source said it was "on track". Production from Egypt fell 4% to 33,000 barrels of oil equivalent per day (boepd) in 2019 from 34,500 boepd in 2018, the company stated in February. (Zawya)
- **Kuwait to ramp up oil output to 3.15mn bpd in April –** Kuwait will ramp up oil output in April until it reaches about 3.15mn bpd, the state news agency KUNA reported, citing the Chief Executive of Kuwait Petroleum Corp, Khaled Al-Fadhel. The increase in output will come from the Neutral Zone, an area Kuwait shares on the border with Saudi Arabia, KUNA said. He announced on Friday the resumption of crude shipments from the Neutral Zone for the first time in five years. Kuwait and Saudi Arabia, both OPEC members, agreed last year to end a five-year dispute over the zone. (Reuters)
- **CBK's stimulus will raise banks' lending by KD5bn –** A stimulus package announced by Central Bank of Kuwait (CBK) will raise banks' lending capacity by KD5bn to face the impact of the coronavirus pandemic, the Kuwait Banking Association said on Thursday. Earlier on Thursday, Kuwait's central bank announced a stimulus package to support vital sectors and small and medium enterprises that included increasing the maximum lending limit to 100% from 90%. (Reuters)
- **Kuwait's Agility freezes planned investments and hiring –** Agility Public Warehousing Co., the Kuwait-based logistics firm operating in more than 100 countries, is putting all planned investments on hold, freezing hiring, and studying salary cuts for top management due to the coronavirus-induced market disruptions, its Regional Director for chemical logistics, Bassel El Dabbagh told The National newspaper. Rapid spread of the virus is taking a toll on the air cargo industry, the disruption of global supply chains led to a decline in cargo demand, while the grounding of passenger jets because of travel restrictions resulted in even deeper cuts to cargo capacity, he said. Ocean and airfreight volumes have dropped by 80% at Agility, in line with the industry, the newspaper reported. The company was planning to spend about $400mn this year as it focused on emerging markets, Chief Executive Officer, Tarek Sultan told Bloomberg in January. (Bloomberg)
- **Moody's places the ratings of seven Omani banks on review for downgrade –** Moody's Investors Service (Moody's) has placed on review for downgrade the long-term local and foreign currency

deposit ratings of seven Omani banks: Bank Muscat, HSBC Bank Oman, Bank Dhofar, National Bank of Oman, Sohar International Bank, Oman Arab Bank and Bank Nizwa. At the same time, Moody's has placed on review for downgrade the Baseline Credit Assessment (BCA) and Adjusted BCA of the seven Omani banks. These actions, which follow Moody's decision to place on review for downgrade the issuer rating of the Government of Oman, reflect the potential weakening in Omani government's capacity to support the local banks as well as the potential weakening in the standalone credit profiles of some banks. Moody's said that the reviews for downgrade on the banks' deposit ratings reflects a combination of – (i) The potential weakening in Oman government's fiscal capacity to support the country's banks in case of need, as indicated by the review for downgrade on the sovereign rating, and (ii) The potential weakening in standalone credit profiles of the banks amid a challenging operating environment due to low oil prices and the coronavirus outbreak, as indicated by the review for downgrade on the banks' standalone BCAs. The review for downgrade on the Oman government's ratings reflects Oman's increased external vulnerability and government liquidity risks following the large oil price shock and the severe tightening in external financing conditions. The severity of the external shock experienced by Oman is amplified by its relatively weak institutional and governance strength which, over the past four years, have impeded fiscal and economic adjustment to lower oil prices, leaving the sovereign exposed to further and more durable shocks. The review for downgrade on the banks' BCAs will focus on the impact of the challenging operating environment resulting principally from low oil prices and the coronavirus outbreak. Moody's expects economic growth in Oman to remain subdued. The rating agency forecasts that the non-hydrocarbon economy will contract in 2020, leading to material weakening in asset quality and profitability for the banks. Additionally, Moody's expects the constrained government finances to limit banks' access to funding and liquidity, with lower oil revenues reducing deposit inflows from the government. However, Moody's acknowledges that the banks' capitalization will remain strong. Moody's said that its assessment of this more challenging environment could also be captured through a lower Macro Profile. Oman's current Macro Profile is 'Weak+'. (Moody's)

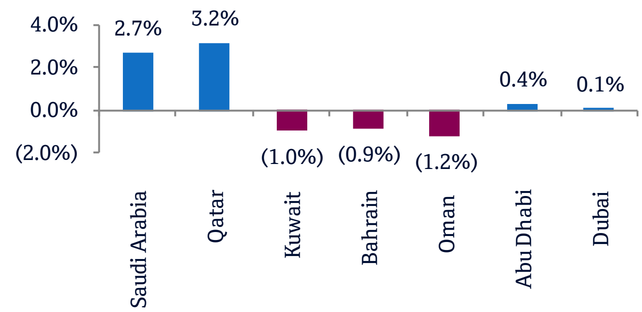
- **S&P downgrades Oman Electricity Transmission Co. to 'BB-' –** S&P downgrades Oman Electricity Transmission Co. (OETC) to 'BB-'. OETC remains capped by the sovereign rating despite its privatization. The downgrade of OETC follows a similar action on Oman (Oman downgraded to 'BB-' on higher external risks and indebtedness; outlook Negative", published March 26, 2020, on RatingsDirect). S&P believes its stand-alone credit profile (SACP) for OETC remains unchanged although the privatization will benefit the company by harnessing technological and administrative expertise from a new strong shareholder. The government retains a controlling stake of 51% in the company following its recent privatization under State Grid International Development Ltd. (SGID; A/Stable/--). The transaction also meets the Omani government's objectives of attracting foreign direct investment and promoting private-sector participation as part of the wider nation-building process. However, S&P does not expect OETC to be core for the new shareholder and therefore don't think it can exceed the rating on the sovereign based on that support. S&P does not anticipate any change to the company's regulated framework, contractual obligations, and price control due to shareholder changes. Therefore, S&P also does not expect any effect on OETC's financial ratios and cash balances. A change in the company's strategy, financial policy, or dividend policy might affect the SACP. S&P believes the likelihood of OETC receiving extraordinary support from the Omani government, if needed, has weakened. The company operates the sole transmission system for electricity in Oman and is majority-owned by the state through the Ministry of Finance and government-owned Electricity Holding Co. (EHC). Nonetheless, S&P anticipates that government control over the entity's strategy and business plans could be reduced given the 49% ownership by a strategic foreign partner. In the absence of explicit government guarantees on OETC's obligations, S&P expects that other government-related entities with 100% government ownership could be prioritized for extraordinary support in the event of widespread stress in the economy. S&P therefore revises the link with the government to strong from very strong and likelihood of extraordinary support to high from extremely high. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,620.81	0.4	(0.5)	6.8
Silver/Ounce	14.39	(0.7)	(0.6)	(19.4)
Crude Oil (Brent)/Barrel (FM Future)	34.11	13.9	36.8	(48.3)
Crude Oil (WTI)/Barrel (FM Future)	28.34	11.9	31.8	(53.6)
Natural Gas (Henry Hub)/MMBtu	1.50	(2.6)	(11.8)	(28.2)
LPG Propane (Arab Gulf)/Ton	30.00	7.1	19.4	(27.3)
LPG Butane (Arab Gulf)/Ton	32.25	21.7	42.5	(51.4)
Euro	1.08	(0.5)	(3.1)	(3.7)
Yen	108.55	0.6	0.6	(0.1)
GBP	1.23	(1.0)	(1.5)	(7.5)
CHF	1.02	(0.4)	(2.6)	(1.0)
AUD	0.60	(1.1)	(2.8)	(14.6)
USD Index	100.58	0.4	2.2	4.3
RUB	76.49	(1.0)	(2.9)	23.4
BRL	0.19	(1.8)	(4.7)	(24.9)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	1,776.86	(1.5)	(2.8)	(24.7)
DJ Industrial	21,052.53	(1.7)	(2.7)	(26.2)
S&P 500	2,488.65	(1.5)	(2.1)	(23.0)
NASDAQ 100	7,373.08	(1.5)	(1.7)	(17.8)
STOXX 600	309.06	(1.5)	(3.4)	(28.6)
DAX	9,525.77	(1.0)	(3.9)	(30.8)
FTSE 100	5,415.50	(2.3)	(3.2)	(33.8)
CAC 40	4,154.58	(2.1)	(7.2)	(33.2)
Nikkei	17,820.19	(0.5)	(8.5)	(24.4)
MSCI EM	831.72	(0.8)	(1.3)	(25.4)
SHANGHAI SE Composite	2,763.99	(0.7)	(0.2)	(11.0)
HANG SENG	23,236.11	(0.2)	(1.1)	(17.2)
BSE SENSEX	27,590.95	(2.0)	(8.7)	(37.6)
Bovespa	69,537.60	(4.5)	(9.4)	(54.6)
RTS	1,049.88	1.5	9.9	(32.2)

Source: Bloomberg (*$ adjusted returns)

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