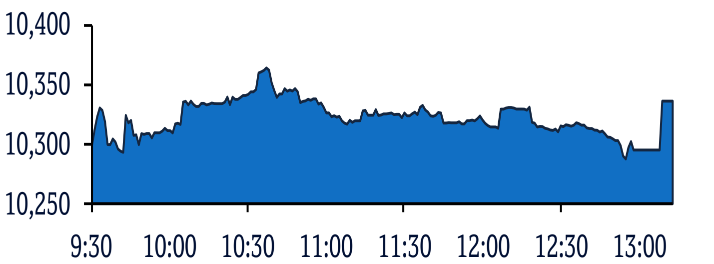
Daily Market Report

Thursday, 09 January 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.4% to close at 10,337.3. Losses were led by the Transportation and Insurance indices, falling 1.3% and 1.0%, respectively. Top losers were Qatar Industrial Manufacturing Company and Al Khaleej Takaful Insurance Company, falling 4.5% and 4.3%, respectively. Among the top gainers, Salam International Investment Limited gained 5.8%, while Baladna was up 3.0%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.9% to close at 8,124.1. Losses were led by the Diversified Fin. and Media & Ent. indices, falling 2.2% and 2.1%, respectively. Ash-Sharqiyah Dev. Co. declined 9.3%, while Anaam Int. Holding was down 9.0%.

Dubai: The DFM Index fell 1.2% to close at 2,713.5. The Consumer Staples and Disc. index declined 2.4%, while the Investment & Fin. Serv. index fell 1.5%. Almadina for Finance and Inv. Co. declined 7.1%, while Ithmaar Holding was down 5.9%.

Abu Dhabi: The ADX General Index fell 0.7% to close at 5,019.4. The Insurance index declined 1.9%, while the Services index fell 1.8%. Abu Dhabi National Insurance Company and Abu Dhabi Aviation Company were down 10.0% each.

Kuwait: The Kuwait All Share Index fell 0.1% to close at 6,121.7. The Consumer Services index declined 0.5%, while the Banks index fell 0.2%. Alargan Int. Real Estate Co. declined 10.0%, while International Resorts Co. was down 9.1%.

Oman: The MSM 30 Index fell 0.1% to close at 3,944.5. Losses were led by the Industrial and Services indices, falling 0.5% and 0.2%, respectively. Oman National Eng. & Inv. Co. declined 3.5%, while Al Jazeera Steel Products Co. was down 3.0%.

Bahrain: The BHB Index fell 0.4% to close at 1,585.3. The Hotels & Tourism index declined 3.5%, while the Investment index fell 0.5%. Gulf Hotel Group declined 4.8%, while GFH Financial Group was down 2.3%.

Market Indicators	08 Jan 20	07 Jan 20	%Chg.
Value Traded (QR mn)	212.9	145.7	46.1
Exch. Market Cap. (QR mn)	575,820.9	578,119.3	(0.4)
Volume (mn)	67.9	42.6	59.2
Number of Transactions	4,460	4,120	8.3
Companies Traded	45	42	7.1
Market Breadth	9:31	12:23	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,021.54	(0.4)	(1.7)	(0.8)	15.0
All Share Index	3,069.08	(0.4)	(1.6)	(1.0)	15.5
Banks	4,213.96	(0.3)	(1.1)	(0.2)	14.7
Industrials	2,884.33	(0.4)	(1.5)	(1.6)	19.8
Transportation	2,501.29	(1.3)	(2.7)	(2.1)	13.4
Real Estate	1,535.99	0.0	(1.8)	(1.9)	11.5
Insurance	2,666.75	(1.0)	(3.0)	(2.5)	15.3
Telecoms	873.10	(0.6)	(3.8)	(2.4)	14.9
Consumer	8,428.72	(0.8)	(3.0)	(2.5)	18.7
Al Rayan Islamic Index	3,871.04	(0.6)	(2.3)	(2.0)	16.1

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Co. for Cooperative Ins.	Saudi Arabia	76.00	2.0	78.3	(0.9)
Jarir Marketing Co.	Saudi Arabia	168.00	1.4	97.7	1.4
HSBC Bank Oman	Oman	0.12	0.8	200.0	(0.8)
Boubyan Bank	Kuwait	0.65	0.8	941.9	0.9
Gulf Bank	Kuwait	0.29	0.7	5,665.9	(3.0)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Cement Co.	Saudi Arabia	64.10	(4.2)	366.7	(8.6)
Saudi Arabian Mining Co.	Saudi Arabia	42.35	(2.9)	404.8	(4.6)
Qatar Int. Islamic Bank	Qatar	9.13	(2.8)	1,782.0	(5.7)
Bank Al Bilad	Saudi Arabia	26.20	(2.4)	424.1	(2.6)
Emirates NBD	Dubai	12.65	(2.3)	2,488.9	(2.7)

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%
Salam International Inv. Ltd.	0.49	5.8	2,117.2	(4.8)
Baladna	1.03	3.0	10,204.5	3.0
Qatar Oman Investment Company	0.64	1.7	0.4	(4.2)
Widam Food Company	6.56	1.5	76.1	(3.0)
Al Khalij Commercial Bank	1.30	0.8	397.6	(0.8)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Industrial Manufacturing	3.40	(4.5)	195.1	(4.8)
Al Khaleej Takaful Insurance Co.	1.76	(4.3)	2,443.9	(12.0)
Qatar First Bank	0.70	(3.4)	6,832.7	(14.4)
Medicare Group	7.92	(2.8)	568.7	(6.3)
Qatar International Islamic Bank	9.13	(2.8)	1,782.0	(5.7)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Baladna	1.03	3.0	10,204.5	3.0
Masraf Al Rayan	4.00	(0.2)	7,546.9	1.0
Ezdan Holding Group	0.58	(1.5)	7,264.3	(5.7)
Qatar First Bank	0.70	(3.4)	6,832.7	(14.4)
Vodafone Qatar	1.13	(0.9)	4,512.2	(2.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	20.52	(0.1)	46,028.5	(0.3)
Masraf Al Rayan	4.00	(0.2)	30,239.6	1.0
Qatar International Islamic Bank	9.13	(2.8)	16,365.9	(5.7)
Qatar Fuel Company	22.30	(1.1)	12,161.5	(2.6)
Qatar Islamic Bank	15.29	0.1	11,588.6	(0.3)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,337.32	(0.4)	(1.7)	(0.8)	(0.8)	58.12	158,178.0	15.0	1.5	4.1
Dubai	2,713.48	(1.2)	(2.0)	(1.9)	(1.9)	44.49	100,712.6	10.8	1.0	4.3
Abu Dhabi	5,019.36	(0.7)	(1.6)	(1.1)	(1.1)	22.12	140,375.6	15.4	1.4	5.0
Saudi Arabia	8,124.11	(0.9)	(3.2)	(3.2)	(3.2)	1,069.25	2,332,544.9	21.8	1.8	3.3
Kuwait	6,121.73	(0.1)	(2.6)	(2.6)	(2.6)	183.45	114,741.7	15.1	1.4	3.5
Oman	3,944.48	(0.1)	(1.5)	(0.9)	(0.9)	1.52	17,012.2	7.4	0.7	7.6
Bahrain	1,585.32	(0.4)	(1.7)	(1.5)	(1.5)	2.82	24,793.3	12.6	1.0	4.9

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 0.4% to close at 10,337.3. The Transportation and Insurance indices led the losses. The index fell on the back of selling pressure from Qatari and GCC shareholders despite buying support from non-Qatari shareholders.
- Qatar Industrial Manufacturing Company and Al Khaleej Takaful Insurance Company were the top losers, falling 4.5% and 4.3%, respectively. Among the top gainers, Salam International Investment Limited gained 5.8%, while Baladna was up 3.0%.
- Volume of shares traded on Wednesday rose by 59.2% to 67.9mn from 42.6mn on Tuesday. However, as compared to the 30-day moving average of 75.2mn, volume for the day was 9.7% lower. Baladna and Masraf Al Rayan were the most active stocks, contributing 15.0% and 11.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	28.77%	46.43%	(37,594,861.54)
Qatari Institutions	35.18%	26.31%	18,884,799.55
Qatari	**63.95%**	**72.74%**	**(18,710,061.99)**
GCC Individuals	0.75%	0.43%	684,332.79
GCC Institutions	2.44%	3.62%	(2,522,232.62)
GCC	**3.19%**	**4.05%**	**(1,837,899.83)**
Non-Qatari Individuals	8.28%	12.48%	(8,930,925.74)
Non-Qatari Institutions	24.57%	10.73%	29,478,887.55
Non-Qatari	**32.85%**	**23.21%**	**20,547,961.82**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2019	% Change YoY	Operating Profit (mn) 4Q2019	% Change YoY	Net Profit (mn) 4Q2019	% Change YoY
National Company for Learning and Education	Saudi Arabia	SR	50.6	1.4%	12.7	-5.6%	11.6	1.4%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands, *Financial for 9M2019)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/08	US	Mortgage Bankers Association	MBA Mortgage Applications	3-Jan	13.5%	–	-13.2%
01/08	EU	European Commission	Services Confidence	Dec	11.4	9.5	9.2
01/08	EU	European Commission	Consumer Confidence	Dec	-8.1	–	-8.1
01/08	France	INSEE National Statistics Office	Consumer Confidence	Dec	102	104	105
01/08	Japan	Economic and Social Research Institute	Consumer Confidence Index	Dec	39.1	39.5	38.7

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 4Q2019 results	No. of days remaining	Status
QNBK	QNB Group	14-Jan-20	5	Due
GWCS	Gulf Warehousing Company	14-Jan-20	5	Due
QIBK	Qatar Islamic Bank	15-Jan-20	6	Due
ABQK	Ahli Bank	16-Jan-20	7	Due
MARK	Masraf Al Rayan	20-Jan-20	11	Due
KCBK	Al Khalij Commercial Bank	20-Jan-20	11	Due
MRDS	Mazaya Qatar Real Estate Development	22-Jan-20	13	Due
DHBK	Doha Bank	26-Jan-20	17	Due
QIIK	Qatar International Islamic Bank	28-Jan-20	19	Due
CBQK	The Commercial Bank	29-Jan-20	20	Due
IHGS	Islamic Holding Group	29-Jan-20	20	Due
NLCS	Alijarah Holding	30-Jan-20	21	Due

Source: QSE

News

Qatar

- **CBQK to hold board meeting on January 29 to discuss the financial statements; conference call will be held on January 30** – The Commercial Bank (CBQK) announced that the board of directors will hold its meeting on January 29, 2020 to discuss and approve the consolidated financial statements for the period ended December 31, 2019. A conference call will also take place on January 30, 2020. (QSE)
- **QIIK to hold board meeting on January 28 to discuss the financial statements** – Qatar International Islamic Bank (QIIK) announced that its board of directors will meet on January 28, 2020 to discuss financial statements for the period ended December 31, 2019. (QSE)
- **MERS opens new branch as part of strategic expansion plan** – Al Meera Consumer Goods Company (MERS) yesterday opened its latest branch in Rawdat Al Hamama area as part of the company's expansion plan. Al Meera Group is currently pursuing a strategic growth plan, will see a slew of branch openings in upcoming localities in the country. The supermarket chain is working in close coordination with the Ministry of Municipality and Environment to further contribute to the development and urbanization of more districts and territories in Qatar. The group's latest shopping center in Rawdat Al Hamama marks an important milestone in the developing locality and brings the total number of stores in Qatar to 53. MERS also announced that as part of its expansion strategy, its Sealine Branch is now offering customers more retail space and bigger selection of their favorite items after the physical expansion of the store. Rawdat Al Hamama is strategically located halfway between Lusail City and Umm Salal Ali and perched between two major highways of Al Khor Expressway and Al Shamal Road. The area is currently witnessing major developments, including a new housing subdivision. (Peninsula Qatar)
- **World Bank forecasts Qatar GDP to grow continually until 2022** – Qatar's GDP has been forecast to grow continually until 2022 with the World Bank forecasting 3.2% growth next year and also in 2022. This year, the World Bank has forecast a GDP growth of 1.5% for Qatar. In its latest report released yesterday, the World Bank said growth in the MENA region is projected to accelerate to 2.4% in 2020, largely driven by higher investment, promoted by public sector infrastructure initiatives and stronger business climates. Among oil exporters, growth is expected to pick up to 2%, World Bank said. Infrastructure investment and business climate reforms are seen advancing growth among the GCC economies to 2.2%. Iran's economy is expected to stabilize after a contractionary year as the impact of sanctions tapers and oil production and exports stabilize, while Algeria's growth is anticipated to rise to 1.9% as policy uncertainty abates and investment picks up. (Gulf-Times.com)
- **QDB official: Qatari non-oil exports set to exceed pre-blockade levels** – Qatar, which is intensifying its economic diversification efforts, is set to exceed the value of its pre-blockade non-oil exports, an official from the Qatar Development Bank (QDB) has said. While exports figures for 2019 have not yet been released, data from the Qatar Chamber (QC) showed that the country's non-oil exports increased by 35.1% to QR24.4bn in 2018 compared to the QR18.05bn recorded in 2017. According to Khalid Abdulla Al Mana, Executive Director of Business Finance at QDB, as many as 326 non-hydrocarbon small and medium sized enterprises (SMEs) participated with the bank's international exhibitions last year. The value of exports by these SMEs reached QR1.6bn until September 2019. Before the blockade, the value of exports could reach up to around QR2.5bn, he added. "We're getting close to where we were before the blockade and maybe we will exceed this. After the blockade we lost three markets around us and this decreased our exports. But now, with the opening of new foreign markets and the opening of different factories in Qatar, exports have increased," Al Mana said. He added that QDB sees a growing number of SMEs in its programs. "We have 36 factories in Jahiz 1 and Jahiz 2 that are starting to come into production. We have food, plastic, pharmaceutical, and several other products from Qatar that are coming out. Qatari products are now displayed in supermarkets not only in Qatar but in other countries as well, such as in Oman," he said. Aside from the country's growing exports market, local demand for Qatari products has also been on the rise, said Al Mana. "We provide several programs for the SMEs, such as matchmaking events and financial benefits to support the exporters in increasing their trade volume. It's important for us to export non-hydrocarbon products which make good diversification for Qatar. And we need to promote economic diversification for better economy," he added. (Peninsula Qatar)
- **Qatar exceeds 2019' target in achieving food self-sufficiency** – Qatar, represented by the Ministry of Municipality and Environment (MME), has exceeded the target in achieving self-sufficiency in various fresh food products, including vegetables, meat and fish in 2019. The achievement of target of 2019 set under the National Strategy for Food Security 2019-23 is a big step by the country towards realization of food self-sufficiency goals. At the same time, Qatar has maintained the first Arab position in the indicators of achieving food security, and it jumped to 13th place globally after it was ranked 22nd in 2018, according to the World Food Security Index issued in December 2019. The index is based on three sub-indicators including consumer's ability to afford food, food availability, and food safety and quality. Assistant Under-secretary for Agriculture and Fisheries Affairs at MME Sheikh Falih bin Nasser Al Thani said that the Agriculture and Fisheries Affairs Sector launched many projects last year which helped increasing agricultural produce significantly raising the self-sufficiency in a number of products. Sheikh Falih was speaking at a press conference organized by the MME at the headquarters of the Agriculture and Fisheries Affairs Sector to announce the outcomes of the implementation of the National Strategic Plan for Food Security 2019-23. "In 2019, the Ministry launched 10 projects for producing vegetables in greenhouses with a total capacity of 21,000 tons vegetables a year," said Sheikh Falih. He said that two projects were also launched for producing camel milk with a capacity of 3,000 tons in a year. "Four projects for table eggs were launched with the financing of Qatar Development Bank having a capacity of producing 180mn eggs in a year," Sheikh Falih said. (Peninsula Qatar)

International

- **World Bank trims 2020 growth forecast amid slow recovery for trade, investment –** The World Bank trimmed its global growth forecasts slightly for 2019 and 2020 due to a slower-than-expected recovery in trade and investment despite cooler trade tensions between the US and China. The multilateral development bank said 2019 marked the weakest economic expansion since the global financial crisis a decade ago, and 2020, while a slight improvement, remained vulnerable to uncertainties over trade and geopolitical tensions. In its latest Global Economic Prospects report, the World Bank shaved 0.2 percentage point off of growth for both years, with the 2019 global economic growth forecast at 2.4% and 2020 at 2.5%. Global trade growth is expected to improve modestly in 2020 to 1.9% from 1.4% in 2019, which was the lowest since the 2008-2009 financial crisis, the World Bank said. This remains well below the 5% average annual trade growth rate since 2010, according to World Bank data. Advanced economies and emerging markets and developing economies also show divergent prospects in the World Bank forecasts. Growth in the US, the Eurozone and Japan is expected to decline slightly to 1.4% in 2020 from 1.6% in 2019 - a markdown of 0.1 percentage point for both years - due to continued softness in manufacturing and the lingering negative effects of US tariffs and retaliatory measures. However, emerging market economies are expected to see a pickup in growth to 4.3% in 2020 from 4.1% in 2019, although these are both a half percentage point lower than forecasts made in June. (Reuters)
- **US private payrolls post largest gain in eight months –** The US private payrolls increased by the most in eight months in December, pointing to sustained labor market strength though job gains last month were likely flattered by a seasonal quirk. The ADP National Employment Report on Wednesday showed private payrolls jumped by 202,000 jobs last month, the largest gain since April, after an upwardly revised 124,000 rise in November. Private job growth averaged 163,000 jobs per month in 2019, slowing from an average increase of 219,000 in 2018. Economists polled by Reuters had forecasted private payrolls advancing 160,000 last month following a previously reported 67,000 rise in November. According to a Reuters survey of economists, nonfarm payrolls likely increased by 164,000 jobs last month after surging 266,000 in November. The unemployment rate is forecast steady near a 50-year low of 3.5%. The ADP report showed employment in the goods-producing sector increased by 29,000 jobs in December. Manufacturing payrolls fell by 7,000 jobs last month and construction added 37,000 positions, likely boosted by unseasonably mild weather. Natural resources and mining shed 1,000 jobs. The services sector added 173,000 jobs last month, with gains concentrated in health services, professional and business services, and trade, transportation and utilities. The leisure and hospitality industry shed 21,000 jobs. (Reuters)
- **US wine industry fears 'Armageddon of costs' from tariffs on French imports –** US consumers, companies and workers will pay the biggest price for proposed 100% tariffs on French Champagne and other sparkling wines, cheese, porcelain, enamel cookware and handbags, witnesses told the US government. The US Trade Representative's office last month proposed punitive duties on $2.4bn in imports from France of sparkling wines and other goods after concluding that a new French digital services tax would harm US companies. Those tariffs would come on top of 25% tariffs already imposed on a wide range of European imports, including Airbus jets, European cheeses, wines and other products in a dispute with the European Union over aircraft subsidies. Washington last month said it could raise those tariffs to 100% and subject additional EU products to the tariffs unless a settlement was reached. President Donald Trump views tariffs as his best tool in disputes with countries such as France and China and insists they will pay the cost of such duties, but economists say tariffs are borne mainly by importers and ultimately, consumers. (Reuters)
- **Carney: Central banks might struggle to fight deep downturn –** Bank of England's (BoE) Governor, Mark Carney said central banks might not be able to fight off a sharp economic downturn because their monetary policy arsenals are still depleted from the global financial crisis a decade ago, the Financial Times reported. "It's generally true that there's much less ammunition for all the major central banks than they previously had and I'm of the opinion that this situation will persist for some time. If there were to be a deeper downturn, (that requires) more stimulus than a conventional recession, then it's not clear that monetary policy would have sufficient space," Carney told the newspaper in an interview. The BoE has raised interest rates to just 0.75%, a fraction above their emergency financial crisis levels. The US Federal Reserve, which unlike most other central banks raised borrowing costs in recent years, cut them three times in 2019. Carney has previously raised concerns about the risk of a global liquidity trap, in which central banks lose their ability to influence the economy because demand is too weak. The FT quoted Carney as saying the BoE was looking into the issue of its reduced monetary policy options. (Reuters)
- **ONS: UK productivity shows small gain in third quarter after grim run –** Productivity in Britain, a major vulnerability of the country's economy that Prime Minister Boris Johnson has promised to fix, improved only slightly in the July-September period of last year, according to official data published. After contracting in the previous four quarters, output per hour worked rose by 0.1% in the third quarter compared with the same period of 2018, the Office for National Statistics (ONS) said. Growth in productivity is a key to the long-term prospects for growth and prosperity of an economy. "Although productivity grew on the year, the underlying picture is of sustained weakness since 2008, with growth over the past year being only a third of the average over the last 10 years or so," ONS statistician Katherine Kent said. (Reuters)
- **BRC: UK shoppers rein in spending to cap grim 2019 for retailers –** British shoppers cut back on spending in late 2019, rounding off the worst year since at least the mid-1990s for retail sales as measured by an industry group which blamed uncertainty about Brexit and last month's election for the slump. However, another survey suggested Britons turned more confident after Prime Minister Boris Johnson's emphatic election victory on December 12. Total retail spending fell by an annual 0.9% in November and December combined, the British Retail Consortium (BRC) said, lumping the two months together to smooth out volatility caused by changes in the dates of Black Friday between 2018 and 2019. BRC chief executive Helen

Dickinson said last year was the first since the group began its records in 1995 to show a full-year fall in sales - down by 0.1% - as two missed Brexit deadlines and the election weighed on consumer confidence. (Reuters)

- **Eurozone's economic sentiment edges up on Italy, Spain optimism –** Eurozone's economic mood improved in December, driven up by optimism in Italy and Spain, as growing confidence in services more than offset worsening sentiment among consumers and at factories, European Commission data showed on Wednesday. The Commission's monthly survey showed economic sentiment in the 19 countries sharing the euro rose to 101.5 points in December from 101.2 in November, a second consecutive monthly rise and above the average forecast of 101.4 points in a Reuters poll of economists. The improved sentiment was driven by higher confidence in services, the biggest economic sector in the bloc, and in construction. Sentiment in industry slightly fell despite factory managers expecting their selling prices to rise. The mood among consumers worsened markedly, as households predicted worsening economic conditions. (Reuters)
- **Germany's misery continues as industrial orders fall unexpectedly –** German industrial orders fell unexpectedly in November on weak foreign demand and a lack of major contracts, data showed, suggesting that a manufacturing slump will continue to curtail growth in Europe's largest economy. Contracts for German goods decreased by 1.3% from the previous month, posting the steepest drop since July, data from the Economy Ministry showed. That confounded the Reuters consensus forecast for a 0.3% rise. Demand from other countries fell 3.1%, the biggest drop since February. Orders from domestic clients rose 1.6%. The reading for October was revised up to a rise of 0.2% from a previously reported decline of 0.4%. German business morale rose to a six-month high in December, a survey by the Ifo institute showed last month, suggesting that the German economy picked up in the fourth quarter despite manufacturing's problems. (Reuters)
- **French consumer morale falls sharply in December as strikes bite –** French consumer confidence pulled back more sharply than expected in December in the face of nationwide strikes against government plans to overhaul the pension system, official data showed on Wednesday. The INSEE statistics agency said that its monthly consumer confidence index fell for the first time since December 2018 when France was mired in anti-government "yellow vest" protests against the high cost of living and general elitism. The index fell to 102 - the lowest since July - from 105 in November, which was revised down from 106 previously. The December outcome fell short of economists' average forecast for 104 in a Reuters poll. (Reuters)
- **China's December factory-gate price deflation eases, CPI remains high –** China's producer prices fell at a slower pace in December, in signs of a modest recovery in manufacturing activity and suggesting Beijing's stimulus measures might have helped to steady the economy. The producer price index (PPI), seen as a key indicator of corporate profitability, fell 0.5% from a year earlier, National Bureau of Statistics (NBS) data showed. Analysts had expected factory-gate prices to fall 0.4% YoY, compared with 1.4% drop in November. The slower pace of decline in producer prices was in line with improving price components in recent factory surveys. Milder price deflation was partly supported by a recovery in petroleum, coal and other fuel processing industries, the NBS said in a statement accompanying the data. For the whole of 2019, PPI was down 0.3% compared with a rise of 3.5% the previous year. China's consumer price index (CPI) in December rose at a pace unchanged from November - an eight-year high of 4.5% - fueled again by a surge in pork prices as African swine fever ravaged the country's hog herds. However, core inflation - which excludes food and energy prices - remained modest. Core CPI for December grew 1.4% on-year, the same pace as the preceding month. For the full-year, China's CPI grew 2.9%, within Beijing's target of around 3% for the year. (Reuters)
- **China's December PPI falls 0.5% YoY, CPI up 4.5% YoY –** China's producer prices in December fell 0.5% from a year earlier, official data showed, marking the sixth month of contraction as manufacturers struggled with weak demand and the US-Sino trade war. Analysts had expected factory-gate prices to fall 0.4% YoY, compared with a 1.4% drop in November. The consumer price index in December rose 4.5% from a year earlier, unchanged from the gain in November and missing analysts' expectations of a 4.7% rise. (Reuters)
- **Reuters poll: China December new Yuan loans seen lower but hitting record in 2019 –** New bank loans in China likely fell in December but lending for all of 2019 still set a record, a Reuters poll showed, as the central bank eases policy to support the slowing economy. Chinese banks are estimated to have issued 1.194tn Yuan in net new Yuan loans last month, down from 1.39tn Yuan in November, according to the median estimate in the survey of 31 economists. If December data, due during the coming week, is in line with forecasts, total new lending in 2019 would hit 16.88tn Yuan, up 4.3% from the previous record of 16.17tn Yuan in 2018. Analysts say faster credit expansion will be a key to stabilizing economic growth, which cooled to 6% in the third quarter of 2019, the slowest since the early 1990s. In December, TSF is expected to fall to 1.7tn Yuan from 1.75tn Yuan in November. Broad M2 money supply growth in December was seen at 8.3%, marginally down from 8.2% in November. Annual outstanding Yuan loan was expected to grow 12.4% for December. (Reuters)
- **India approves funding of $774mn for northeastern gas pipeline –** India has approved funding of $774mn for a natural gas pipeline in its northeast, Oil Minister Dharmendra Pradhan said, as part of a national gas grid being built to span remote locations. India aims to spend up to $60bn by 2024 to set up the grid and several terminals for liquefied natural gas, as it scrambles to meet Prime Minister Narendra Modi's 2030 target of a 15% share for natural gas in the energy mix, up from 6.5% now. The 1,656 kilo meters pipeline will cost up to INR92.65bn to build. The gas grid linking eight states in a region bordering Bangladesh, Bhutan, China and Myanmar, is expected to be complete by 2023. Despite the plan, the growth of gas consumption eased to 2.5% in fiscal 2018-19 from 11% in 2009-10, mainly because of a lack of infrastructure. (Reuters)

Regional

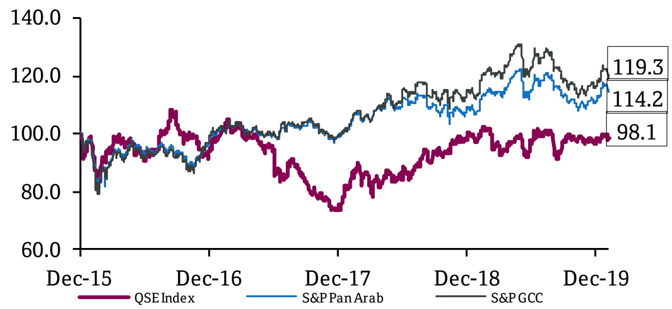
- **World Bank slashes UAE, GCC, MENA growth forecast –** The World Bank slashed the growth forecast for the UAE, GCC, and Middle East and North Africa (MENA) region for 2020 and 2021, due to geopolitical tensions and lower oil demand amidst a weakened global growth. It slashed the UAE's growth estimates for 2019, 2020, and 2021 by 0.8%, 0.4%, and 0.2% respectively, from its June 2019 forecast. In its January 2020 Global Economic Prospects report, the World Bank predicted the UAE's growth at 1.8% for 2019, however, said that it will pick up over the next three years and expand at 2.6% in 2020 and 3.0% for 2021 and 2022. Growth projections for Saudi Arabia, Qatar, Oman, Kuwait, and Bahrain were also lowered by the World Bank. Overall, GCC countries are set to grow for 2019, 2020, and 2021 by 1.3%, 1.0%, and 0.1%, respectively. Similarly, the MENA region's growth rate has also been slashed by the World Bank for 2019 and 2020, but 2021's rate remains unchanged. "Geopolitical and policy constraints on oil sector production slowed growth in oil-exporting economies, despite support from public spending. Risks are tilted firmly to the downside-geopolitical tensions, escalation of armed conflicts, slower-than-expected pace of reforms, or weaker-than-expected growth in key trading partners could heavily constrain activity," the World Bank said in its outlook. The key reason for the slowdown in growth of the MENA region is blamed on a sharp contraction in the Iranian economy. The World Bank said that public spending has been roust in some oil-exporting countries, while non-oil activity has also shown supportive signs, however, these developments were insufficient to offset the weak activity in the oil sector. (Zawya)

- **OPEC will respond to any oil shortage if needed, however, capacity limited –** The (OPEC) will respond to any possible oil shortages if necessary however, it also has "limitations", the UAE's Energy Minister said. "We can't replace any quantity with the spare capacity we have," Suhail Al-Mazrouei told a conference in the UAE capital Abu Dhabi. Mazrouei said he sees no situation where there would be a fear of supply shortage and that demand was healthy and global oil inventories were "hovering" around the 5-year average. (Reuters)
- **Saudi's SATORP oil refinery to conduct partial maintenance –** Saudi Aramco Total Refining and Petrochemical Company (SATORP) will conduct a scheduled maintenance on train 2 units at its oil refinery in Saudi Arabia, according to a statement on the Saudi stock exchange. Operations will continue as normal on train 1 units at the refinery, which has a capacity to process 400,000 bpd of crude, according to the statement. The refinery is operated through a joint venture between Saudi Aramco and French major Total. (Zawya)
- **UAE invests AED1tn in airport infrastructure –** The UAE has so far invested AED1tn in airport infrastructure development projects highlighted the General Civil Aviation Authority's Director-General. In a statement released by the UAE aviation authority, Saif Mohammed Al Suwaidi said such investments span development projects across the country and a fleet of 884 commercial aircraft. The aviation sector is experiencing significant and rapid growth in air transport and airport construction and expansion, leading to the growth of regional and global economies, particularly in the Asia-Pacific region and the Middle East, the world's fastest growing market, although Europe still maintains strong growth prospects until 2040. (Zawya)
- **UAE new visa to transform tourism sector –** The International Media followed with great interest the Resolution of the UAE Cabinet that approved the multi-entry tourist visa for the UAE for a period of five years for all nationalities, which will have a significant impact regionally and globally in this important time. The Resolution delivers many promising messages to the UAE community and the whole world, the first and most effective one is the stability and sustainability of the national economy and its ability to address the fluctuations and changes that affected the region over the past decades. Last October, the UAE ranked first regionally and 33rd globally in tourism and travel in 2019, according to 52 competitive indicators, the most notable of which is the stability of the country's economy. (Zawya)
- **UAE business community lauds government for new five-year tourist visa –** Stakeholders in the UAE's private sector were all praise for the government's decision to grant five-year multi-entry visas to foreigners looking to visit the country. Business owners, as well as top executives in the hospitality industry, said the new move will not only boost domestic tourism, it will also help local businesses as well, particularly in terms of increasing consumer spending and easing the recruitment process for employers who want to hire new talent from overseas. (Zawya)
- **DAFZA contributes 12% of Dubai's foreign trade in first nine months of 2019 –** Dubai Airport Freezone Authority (DAFZA) contributed 12% of Dubai's AED1.02tn foreign trade in the first nine months of 2019, it said. DAFZA's total value of foreign trade reached AED120bn during the period, charting a 11.2% growth. Its re-exports grew 11.8% to AED68bn and accounted for 21.7% of Dubai's re-exports. DAFZA's operations during the first nine months of 2019 helped achieve a large trade surplus of AED16.2bn, it said. India accounted for the highest percentage of DAFZA's trade at 18.7% (AED22.4bn), followed by Switzerland at 17% (AED20.2bn), then China at 15.5% (AED18.6bn). India ranked first in imports and accounted for 42.5% (AED22bn), followed by China with 36% (AED18.5bn) while Switzerland topped the list of countries in terms of re-exports from DAFZA with 28% (AED19bn). In terms of goods, machinery and electrical equipment ranked first with 57% of the total re-export value (AED39bn) and 49% of total imports (AED25.2bn). Pearls, semi-precious stones and metals followed with 35% of total re-export value (AED24.1bn) and 43% (AED22.5bn) in terms of total imports. (Zawya)
- **Dubai-based Noor Bank reshuffles board of directors –** Dubai Islamic Bank, the UAE' largest Shari'ah-compliant bank, is moving ahead with the acquisition of Noor Bank whose board of directors has been reconstituted in order to implement the integration plan. Post-reshuffle, Noor Bank's board of directors is now composed of the Group CEO of Dubai Islamic Bank, Adnan Chilwan and four current board members in DIB: Yahya Saeed Ahmed Nasser Lootah, Hamad Buamim, Ahmad Mohammad Saeed Bin Humaidan and Abdulla Ali Obaid Al Hamli. (Zawya)
- **Dubai's Amlak Finance achieves 95% approval on debt restructuring –** Amlak Finance, a Dubai-based Islamic mortgage provider, announced that it has achieved 95% approval on its debt restructuring terms. The company added that negotiations

are underway with the remainder 5%, representing three creditors out of a total of 27. (Zawya)

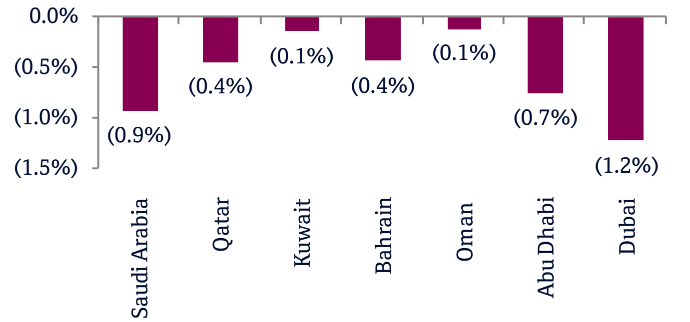
- **Dubai real estate deals hit 11-year high in 2019 –** Dubai registered a total of 41,988 real estate transactions in 2019, marking the highest number of sales transactions registered annually in Dubai since 2008, said Property Finder, a leading property portal in the MENA region. The number of property deals during 2019 also marks a growth of 20% in the volume of registered property sales transactions compared to 34,961 transactions in 2018, according to Data Finder, the real estate insights and data platform under the Property Finder Group. There were 11,662 property sales transactions registered in Dubai in 2008. The Dubai real estate market has, therefore, grown by 260% in the past 11 years in terms of the volume of transactions. The second highest number of property sales transactions registered in Dubai since 2008 was in 2017 (40,649). (Zawya)
- **Dubai developer Azizi targets Chinese buyers –** Dubai-based Azizi Developments is targeting Chinese real estate buyers as Chinese investments into the UAE grow on the back of strong economic and political relations between the two countries. "Our customer base from China is 2% right now, but this could easily be much larger in future," the company's CFO, Mika Toivola told Zawya Projects. The family-run company currently has the majority of its buyers coming from the UAE (26%), India (12%) and Saudi Arabia (9%) among others. (Zawya)
- **Fall in Dubai home prices to continue over next 12 to 18 months –** Home buyers will continue to see great options in Dubai's real estate market, as there will be further price slowdown in the residential space this year, according to the latest analysis. Due to prevailing negative sentiment and supply pressures, more capital value declines will be experienced over the next 12 to 18 months before the market will start to stabilize, Head of real estate research at ValuStrat, Haider Tuaima said. "There is a high likelihood of capital values to plateau during 2021, after which it would commence a gradual positive growth," Tuaima said. The latest ValuStrat Price Index (VPI) for December 2019 stood at 75.3 points, falling 0.8% since November and 10.4% annually. The average loss in capital values per month slowed marginally when compared to the average -1% in 2018, but it does not mean the prices have already hit bottom levels. (Zawya)
- **Abu Dhabi sovereign fund sells $947mn UniCredit stake –** Abu Dhabi sovereign wealth fund Mubadala more than halved its shareholding in Italian bank UniCredit SpA as the holder of about 6% of the world's oil reserves sells stakes in overseas assets. The fund's stake declined to about 2.02% as of December 20, according a filing by the Italian market regulator, down from a 4.99% stake in June, Consob said. The stake sold by the fund is valued about $947mn based on yesterday's closing price. Sovereign wealth funds own about 10.5% of UniCredit, while 65% is held by institutional investors, 5% by Italian banking foundations and 13% by retail investors, bank's website shows. (Bloomberg)
- **Boubyan Bank gets regulatory nod to acquire BLME Holdings –** Boubyan Bank has received the approval of the UK's Prudential Regulation Authority (PRA) to acquire Bank of London and The Middle East Holdings (BLME Holdings). The offer is subject to the terms and conditions set in the takeover proposal document, which holds the first closing date on January 27. Boubyan bank said that the impact on the bank's financial position cannot be determined at the current stage as it depends on how the offer will be accepted as well as Boubyan Bank's final ownership. (Boursa Kuwait)
- **iGA: Bahrain set to achieve 5% economic growth this year –** Bahrain's economy is seen growing at 5% this year, substantially higher than the 3.1% rate recorded last year. The Finance and National Economy Ministry's Bahrain Economic Quarterly report for 3Q2019 has forecast nominal GDP growth of 5% for 2020. The report, based on data from the Information and eGovernment Authority (iGA), is projecting continued resilience of the non-oil sector, which is seen growing at 3.1% this year in real terms, significantly higher than 2.3% during the last two years. While the nominal rate measures growth at current market prices, the real or headline rate makes adjustments for the effects of price inflation. (Zawya)
- **Alba sets new production record as it goes above 1.36mn metric tons –** Aluminium Bahrain (Alba), the world's largest aluminium smelter ex-China, sets a new production record by exceeding the 1.36mn metric tons mark in 2019 -- production stood at 1,365,005 metric tons, versus 1,011,101 metric tons in 2018, up by 35% YoY. In addition, 2019 was an exceptional year in terms of Safety as the Company achieved Zero Fatality and Zero Lost. (Bahrain Bourse)
- **Bahrain to distribute 5,000 housing units to eligible citizens –** A plan to distribute 5,000 housing units to eligible citizens was unveiled yesterday. The move is in line with an order issued by His Royal Highness, Prince Salman bin Hamad Al Khalifa, Crown Prince, Deputy Supreme Commander and First Deputy Premier, as well as royal directives. Housing Minister, Bassem Al Hamer said the ministry has embarked on determining the projects and beneficiaries in preparation for a distribution schedule very soon. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,556.42	(1.1)	0.3	2.6
Silver/Ounce	18.10	(1.6)	0.2	1.4
Crude Oil (Brent)/Barrel (FM Future)	65.44	(4.1)	(4.6)	(0.8)
Crude Oil (WTI)/Barrel (FM Future)	59.61	(4.9)	(5.5)	(2.4)
Natural Gas (Henry Hub)/MMBtu	2.09	(3.7)	1.5	0.0
LPG Propane (Arab Gulf)/Ton	44.38	(4.3)	(5.1)	7.6
LPG Butane (Arab Gulf)/Ton	69.25	(2.5)	(0.4)	5.7
Euro	1.11	(0.4)	(0.5)	(1.0)
Yen	109.12	0.6	1.0	0.5
GBP	1.31	(0.2)	0.1	(1.2)
CHF	1.03	(0.4)	(0.1)	(0.6)
AUD	0.69	(0.1)	(1.2)	(2.2)
USD Index	97.30	0.3	0.5	0.9
RUB	61.24	(0.9)	(1.4)	(1.2)
BRL	0.25	0.1	0.0	(1.1)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,366.93	0.2	0.2	0.4
DJ Industrial	28,745.09	0.6	0.4	0.7
S&P 500	3,253.05	0.5	0.6	0.7
NASDAQ 100	9,129.24	0.7	1.2	1.7
STOXX 600	418.36	(0.1)	(0.5)	(0.4)
DAX	13,320.18	0.5	0.3	(0.3)
FTSE 100	7,574.93	(0.2)	(0.5)	(0.8)
CAC 40	6,031.00	0.1	(0.7)	(0.1)
Nikkei	23,204.76	(2.1)	(2.1)	(2.1)
MSCI EM	1,111.40	(0.4)	(1.1)	(0.3)
SHANGHAI SE Composite	3,066.89	(1.1)	(0.2)	0.9
HANG SENG	28,087.92	(0.8)	(1.2)	(0.2)
BSE SENSEX	40,817.74	0.6	(1.0)	(1.2)
Bovespa	116,247.00	0.3	(1.4)	(0.3)
RTS	1,589.08	1.3	1.6	2.6

Source: Bloomberg (*$ adjusted returns)

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