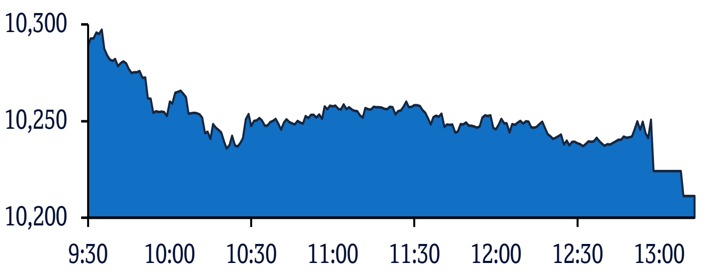
Daily Market Report

Thursday, 18 March 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.8% to close at 10,211.4. Losses were led by the Transportation and Telecoms indices, falling 2.0% and 1.4%, respectively. Top losers were Qatar Navigation and Ahli Bank, falling 8.2% and 2.3%, respectively. Among the top gainers, Doha Insurance Group gained 5.0%, while Qatar General Ins. & Reins. Co. was up 3.9%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.6% to close at 9,602.3. Losses were led by the Software & Serv. and Telecom. Serv. indices, falling 2.7% and 2.0%, respectively. Saudi Public Transport declined 8.7%, while Al Jouf Agriculture was down 7.4%.

Dubai: The DFM Index fell 0.8% to close at 2,600.8. The Real Estate & Construction index declined 1.3%, while the Investment & Financial Services index fell 1.0%. Emaar Development declined 3.5%, while SHUAA Capital was down 2.2%.

Abu Dhabi: The ADX General Index fell 0.1% to close at 5,746.2. The Consumer Staples index declined 2.3%, while the Insurance index declined 1.6%. Ras Al Khaimah White Cement declined 10.0%, while Emirates Insurance was down 9.9%.

Kuwait: The Kuwait All Share Index gained 0.4% to close at 5,797.4. The Technology index rose 7.2%, while the Consumer Services index gained 0.9%. Mena Real Estate Co. rose 12.4%, while Alrai Media Group Co. was up 9.6%.

Oman: The MSM 30 Index fell 0.1% to close at 3,738.0. The Financial index declined marginally, while the other indices ended in green. United Finance Company declined 4.3%, while Sohar International Bank was down 3.2%.

Bahrain: The BHB Index fell 0.4% to close at 1,459.4. The Industrial index declined 2.0%, while the Commercial Banks index fell 0.5%. Aluminium Bahrain declined 2.1%, while Ahli United Bank was down 0.7%.

Market Indicators	17 Mar 21	16 Mar 21	%Chg.
Value Traded (QR mn)	396.9	454.6	(12.7)
Exch. Market Cap. (QR mn)	592,782.7	597,318.4	(0.8)
Volume (mn)	173.4	219.4	(21.0)
Number of Transactions	10,702	9,732	10.0
Companies Traded	47	47	0.0
Market Breadth	16:28	23:20	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,152.36	(0.7)	0.1	0.4	19.0
All Share Index	3,236.24	(0.6)	0.2	1.2	19.6
Banks	4,207.37	(0.7)	0.1	(1.0)	15.1
Industrials	3,289.18	(0.3)	(0.6)	6.2	36.2
Transportation	3,503.37	(2.0)	(1.0)	6.3	23.7
Real Estate	1,830.93	(0.3)	(0.7)	(5.1)	17.7
Insurance	2,628.40	1.5	5.0	9.7	97.7
Telecoms	1,040.10	(1.4)	2.4	2.9	24.3
Consumer	8,048.61	(0.1)	0.9	(1.1)	28.1
Al Rayan Islamic Index	4,320.85	(0.2)	(0.1)	1.2	20.1

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ahli Bank	Oman	0.11	1.9	85.0	(14.2)
Rabigh Refining & Petro.	Saudi Arabia	17.60	1.9	26,643.8	27.4
Savola Group	Saudi Arabia	39.00	1.7	2,993.5	(8.2)
Advanced Petrochem. Co.	Saudi Arabia	70.30	1.4	286.0	4.9
National Petrochem. Co.	Saudi Arabia	39.30	1.3	108.4	18.2

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Sohar International Bank	Oman	0.09	(3.2)	52.6	(1.1)
Saudi Kayan Petrochem.	Saudi Arabia	16.00	(2.8)	12,271.4	11.9
Saudi Telecom Co.	Saudi Arabia	116.00	(2.5)	911.1	9.4
Aluminium Bahrain	Bahrain	0.52	(2.1)	301.0	1.9
Mesaieed Petro. Holding	Qatar	1.82	(2.0)	21,323.5	(11.0)

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%
Doha Insurance Group	2.10	5.0	4,019.5	50.8
Qatar General Ins. & Reins. Co.	2.40	3.9	223.2	(9.8)
Qatar Aluminium Manufacturing	1.14	3.8	31,486.8	18.1
Qatar National Cement Company	5.29	3.5	823.8	27.4
Qatar Islamic Insurance Company	7.98	1.0	11.4	15.6

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminium Manufacturing	1.14	3.8	31,486.8	18.1
Investment Holding Group	0.76	0.0	29,527.5	27.0
Mesaieed Petrochemical Holding	1.82	(2.0)	21,323.5	(11.0)
Salam International Inv. Ltd.	0.66	(0.9)	15,891.7	1.1
Baladna	1.64	(0.8)	9,858.5	(8.4)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Navigation	7.53	(8.2)	917.1	6.2
Ahli Bank	3.64	(2.3)	93.3	5.5
Mannai Corporation	3.23	(2.1)	863.5	7.7
Mesaieed Petrochemical Holding	1.82	(2.0)	21,323.5	(11.0)
Ooredoo	6.96	(1.9)	2,040.5	(7.4)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.32	(1.0)	42,506.0	(2.9)
Mesaieed Petrochemical Holding	1.82	(2.0)	39,294.2	(11.0)
Qatar Aluminium Manufacturing	1.14	3.8	35,919.9	18.1
Qatar Islamic Bank	15.90	(1.4)	27,073.9	(7.1)
Masraf Al Rayan	4.18	(0.1)	24,660.2	(7.8)

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*	10,211.39	(0.8)	(0.1)	0.6	(2.2)	107.85	160,644.1	19.0	1.5	3.0
Dubai	2,600.84	(0.8)	1.1	1.9	4.4	32.51	97,105.5	21.2	0.9	3.7
Abu Dhabi	5,746.17	(0.1)	1.9	1.5	13.9	283.42	220,756.5	23.0	1.6	4.3
Saudi Arabia	9,602.26	(0.6)	0.2	5.0	10.5	2,981.76	2,514,621.6	37.4	2.3	2.2
Kuwait	5,797.41	0.4	1.0	2.6	4.5	123.53	108,915.4	55.4	1.4	3.3
Oman	3,738.01	(0.1)	1.0	3.5	2.2	3.28	17,050.4	12.1	0.7	7.3
Bahrain	1,459.41	(0.4)	(0.7)	(0.5)	(2.0)	5.91	22,400.3	35.8	0.9	4.6

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 0.8% to close at 10,211.4. The Transportation and Telecoms indices led the losses. The index fell on the back of selling pressure from GCC and Foreign shareholders despite buying support from Qatari and Arab shareholders.
- Qatar Navigation and Ahli Bank were the top losers, falling 8.2% and 2.3%, respectively. Among the top gainers, Doha Insurance Group gained 5.0%, while Qatar General Ins. & Reins. Co. was up 3.9%.
- Volume of shares traded on Wednesday fell by 21% to 173.4mn from 219.4mn on Tuesday. Further, as compared to the 30-day moving average of 205.4mn, volume for the day was 15.6% lower. Qatar Aluminium Manufacturing and Investment Holding Group were the most active stocks, contributing 18.2% and 17% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	41.64%	33.99%	30,367,875.6
Qatari Institutions	17.88%	25.46%	(30,095,801.2)
Qatari	**59.51%**	**59.44%**	**272,074.4**
GCC Individuals	2.19%	3.16%	(3,836,202.7)
GCC Institutions	2.07%	2.28%	(832,626.9)
GCC	**4.26%**	**5.44%**	**(4,668,829.6)**
Arab Individuals	12.27%	9.92%	9,299,581.2
Arab Institutions	0.00%	0.00%	-
Arab	**12.27%**	**9.92%**	**9,299,581.2**
Foreigners Individuals	3.35%	3.00%	1,394,792.4
Foreigners Institutions	20.61%	22.19%	(6,297,618.4)
Foreigners	**23.96%**	**25.20%**	**(4,902,826.1)**

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

Ratings, Earnings Releases, Global Economic Data and Earnings Calendar

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Qatar Islamic Bank	S&P	Qatar	LTR/STR/SACP	A-/A-2/bbb-	A-/A-2/bbb	↑	Stable	–
Al-Khaleej Takaful Insurance Company	S&P	Qatar	ICR/IFSR	BBB	BBB	–	Stable	–

Source: News reports, Bloomberg (* LTR – Long Term Rating, STR – Short Term Rating, IFSR- Insurer Financial Strength Rating, ICR – Issuer Credit Rating, SACP – Stand-Alone Credit Profile)

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2020	% Change YoY	Operating Profit (mn) 4Q2020	% Change YoY	Net Profit (mn) 4Q2020	% Change YoY
Middle East Paper Co.*	Saudi Arabia	SR	724.7	4.9%	43.6	36.8%	20.2	229.2%
Jarir Marketing Co.*	Saudi Arabia	SR	9,305.8	10.5%	1,100.9	2.8%	1,003.0	1.9%
Saudi Arabian Cooperative Ins. Co.*	Saudi Arabia	SR	795.0	-4.7%	–	–	8.8	-46.6%
Alahli Takaful Co.*	Saudi Arabia	SR	248.2	3.9%	–	–	6.2	-45.7%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2020)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03/17	US	Mortgage Bankers Association	MBA Mortgage Applications	12-Mar	-2.2%	–	-1.3%
03/17	EU	Eurostat	CPI MoM	Feb F	0.2%	0.2%	0.2%
03/17	EU	Eurostat	CPI YoY	Feb F	0.9%	0.9%	0.9%

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 4Q2020 results	No. of days remaining	Status
QOIS	Qatar Oman Investment Company	22-Mar-21	4	Due
MRDS	Mazaya Qatar Real Estate Development	24-Mar-21	6	Due

Source: QSE

News

Qatar

- **BLDN's net profit rises QoQ to QR39.3mn in 4Q2020 from QR29.0mn in 3Q2020 –** Baladna (BLDN) posted net profit of QR39.3mn as compared to QR29.0mn in 3Q2020. The company's revenue came in at QR190.6mn in 4Q2020 versus QR182.3mn in 3Q2020. Net profit margin for the fourth quarter reached 20.6%. BLDN announced its result for the period from December 2, 2019 (establishment date) to December 31, 2020 (approximately 13 months). Despite the various challenges related to the COVID-19 pandemic, BLDN was able to achieve significant growth in its revenue and net profit. During the 13 months period ended December 31, 2020, revenue generated was QR814.8mn resulting in a reported net profit of QR152.1mn. Correspondingly, the company achieved a strong net profit margin for the period of approximately 18.7%. The EPS remained at QR0.082 for the period. Product portfolio management remained paramount as Baladna continued to focus on introducing innovate and value accretive product. The consumer insights program, launched in 2020, coupled with new product development program, allowed for the identification of market trends and customer preferences in an accelerated and more informative manner, resulting in the successful launch of 96 new SKUs and delisting of 18 SKUs to optimize Baladna's yield. Overall, Baladna`s product portfolio grew by 41% during the corresponding period. Baladna has continued to achieve operational efficiencies, across the supply chain. In particular, the farming division has witnessed significantly productivity gains achieving an average daily milk yield of 36.6 liter per cow for the period. (QNB FS Research, QSE, Gulf-Times.com)
- **MCCS's reports net profit of QR213.7mn in 4Q2020 –** Mannai Corporation (MCCS) reported net profit of QR213.7mn in 4Q2020 as compared to net loss of QR162.8mn in 4Q2019 and net profit of QR3.4mn in 3Q2020.The company's Revenue came in at QR3,856.8mn in 4Q2020, which represents an increase of 26.0% YoY (+20.9% QoQ). In FY2020, the net profit came in at QR14.31mn as compared to net loss of QR81.8mn in FY2019. The earnings per share amounted to QR0.03 in FY2020 as compared to loss per share of QR0.18 in FY2019. The board of directors' proposed for a cash dividend payment of Qatari Dirham 1 per share, being 1% of the nominal share value. (QSE)
- **BLDN announces board of directors meeting results –** Baladna (BLDN) announced the results of its board of directors' meeting held on March 17, 2021 and approved (1) Acknowledged the minutes of meeting of the pervious Board meeting held on December 28, 2020. (2) Approved the company's consolidated audited financial statements for the period ended December 31, 2020. (3) Agreed to issue a recommendation to the General Assembly on the distribution of cash dividends to the shareholders at a rate of 5.3% of the nominal value of the shares for the year ended December 31, 2020. (4) Acknowledged the company's Corporate Governance report for the period from establishment to December 31, 2020. (5) Acknowledged the invitation "template" to Baladna's General Assembly meeting and its agenda. (QSE)
- **QIIK shareholders give nod for issuance up to $1bn Tier 2 sukuk –** Qatar International Islamic Bank (QIIK) shareholders have approved the board of directors' recommendation to issue up to $1bn Tier 2 Sukuk after obtaining the necessary approvals from the supervisory authorities concerned. Following its virtual ordinary general assembly on Wednesday, QIIK said the conditions and size of the sukuk issuance will be subject to a study of the bank's needs and market conditions. The ordinary general assembly endorsed the board of directors' (BoD) recommendation to extend last year's general assembly approval of the $2bn sukuk program (already approved at the 2019 AGM) and delegate the BoD to decide the size of each issuance, terms and conditions and issuance currency. This would be done after getting all necessary approvals from supervisory authorities. QIIK said sukuk should not exceed the bank's capital and reserves. The QIIK shareholders also gave nod to the board of directors' recommendation to extend the last-year general assembly's approval to issue Additional Tier1 Sukuk (non-convertible) into ordinary shares up to QR3bn, which should not exceed the bank's capital and reserves. They also delegated the board of directors to decide the size of each issuance, terms and conditions and issuance currency after getting all necessary approvals from the supervisory authorities concerned. The ordinary general assembly discussed and approved the board's recommendation to distribute cash dividends of QR0.325/share. (Gulf-Times.com)
- **S&P reaffirms QIBK ratings at 'A-/A-2' with Stable outlook –** Global credit rating agency Standard & Poor's (S&P) has reaffirmed Qatar Islamic Bank's (QIBK) long and short-term ratings at 'A-/A-2' with a "stable" outlook. The rating agency also upgraded QIBK's stand-alone credit profile (SACP) to 'bbb' (adequate) from 'bbb-' (moderate). "QIBK displayed good resilience to the economic shock in Qatar in 2020. We expect the Qatari economy will recover mildly in 2021-2022 after shrinking by 4.4% in 2020 due to the pandemic. Despite last year's shock, we expect QIBK's asset-quality indicators will deteriorate only slightly," S&P said. This is underpinned by the bank's conservative lending approach, it said, expecting non-performing finance's coverage by provisions will remain very high over the next three years. Based on the bank's resilience to the severe deterioration in its operating environment, S&P has revised its assessment of risk position to "adequate" from "moderate" and the stand-alone credit profile (SACP) to 'bbb' from 'bbb-'." S&P expects QIBK's capitalization to continue supporting the bank's credit profile, and that QIBK's risk-adjusted capital (RAC) ratio will stabilize at 13%-13.5% compared with 13.4% at the end of 2020. (Gulf-Times.com)
- **S&P affirms AKHI at 'BBB' with Stable outlook –** S&P Global Ratings (S&P) affirmed its 'BBB' issuer credit and insurer financial strength ratings on Qatar-based Al-Khaleej Takaful Insurance Company (AKHI). The outlook is Stable. AKHI's operating performance improved in 2020; the insurer recorded a net combined ratio of 72% (2019: 83%) and net profits of QR46mn (2019: QR30mn). The improvement stemmed mainly from strict lockdown measures in Qatar to contain the outbreak of COVID-19. This has reflected positively on claims experience, notably on the motor line of business. In addition, despite the economic slowdown brought about by the pandemic, AKHI recorded 2% top line growth, with premiums reaching QR304mn in 2020. We expect AKHI to continue

prioritizing profitability over premium growth and anticipate net combined ratios will remain in line with its above-market average. AKHI also de-risked its investment portfolio last year. Indeed, its equity investments decreased to QR16mn from QAR186 million a year earlier. Cash and cash equivalents increased to QR195mn from QR68mn. If we see a track record of diminished equity exposure in the coming years, we could improve our view of liquidity, though this would be neutral to the rating. Moreover, in AKHI's 2020 financial statements, the external auditor issued a qualified opinion due to insufficient evidence of AKHI's ability to recover certain receivables from its former CEO. The receivables amount to QR116mn, representing about 20% of total policyholders' and shareholders' equity and 11% of total assets. While audit opinions for financial years 2018 and 2019 were clean and did not include qualifications, the previous external auditor qualified AKHI's 2017 accounts because of the same issue involving the former CEO. At that time, we revised down our view of AKHI's governance. Our rating on AKHI therefore incorporates these deficiencies. While we note that the receivables are significant, AKHI's risk-adjusted capital under our model would exceed the 'AAA' benchmark, even if it fully impairs the amount. We also already exclude the full amount from our assessment of liquidity. We understand that AKHI continues its negotiations with the former CEO, under the supervision of the local regulatory authority, to reach a settlement. The stable outlook indicates our expectation that AKHI will continue to generate profitable earnings and maintain capital adequacy at the 'AAA' level, and that we will not observe any additional severe governance-related issues over the next two years. (Bloomberg)

- **QLMI to holds its AGM on April 4 –** QLM Life & Medical Insurance Company (QLMI) board of directors invited its shareholders to join the annual general meeting (AGM), which will be held virtually from the company's headquarter in West Bay, Doha on April 04, 2021 at 5:30 pm onwards. In the absence of meeting the quorum, the meeting shall be postponed to April 11, 2021 at the same time and place. The agenda includes (1) Discussing and approving the company's balance sheet and its profit & loss statement for the year 2020. (2) Consideration of non-distribution of dividend for the year 2020 as per the IPO prospectus, among others. (Gulf-Times.com)
- **QGRI announces the Ordinary General Assembly Meeting for fiscal year ended 2019 –** Pursuant to Company's disclosure of postponing the second meeting of General Assembly for year 2019 on 01 July 2020 in compliance with Qatar Central Bank instruction, and upon obtaining the approval of supervisory departments, Qatar General Insurance & Reinsurance Company (QGRI) invited its shareholders to attend the second company's Ordinary General Assembly Meeting, to be held on Wednesday, 31 March 2021. Agenda of the Ordinary General Assembly:– (1) Hearing, discussing and approving the Board of Director's Report on the Company's activities and its financial position for the financial year ended December 31, 2019 and the company's future plan, (2) Hearing and approving the External Auditor's Report for the financial year ended December 31, 2019, (3) Discussing and approving the company's balance sheet, profit & loss accounts for the financial year ended December 31, 2019 and the adjustments for the financial years ended December 31, 2018 and December 31, 2017, (4) Approving the Board of Director's proposal not distribute dividends for the financial year ended December 31, 2019, (5) Discharging the Chairman and members of the board from liability for the financial year ended December 31, 2019 and approving not distribute remuneration to the board members, (6) Discussing and adopting the company's Corporate Governance Report for the year 2019, (7) Adopting the appointment of company's External Auditors for the financial year 2020 and approving their fees, (8) Board members' election for the period (2021 - 2023). (QSE)
- **WDAM to hold its AGM on April 06 –** Widam Food Company (WDAM) announced that the General Assembly Meeting (AGM) will be held on April 06, Al-Shomoukh Towers - Tower (B), Mezzanine Floor, which is located in Bin Mahmoud Area - Suhaim bin Hamad Street at 04:30 pm. In case of not completing the legal quorum, the second meeting will be held on April 13, 2021, at the same place at 04:30 pm. The agenda includes (1) Discussing the company's balance sheet and profit and loss account for the year 2020 and approving the same and (2) Approving the Board of Directors' proposal to distribute cash dividends of 10% of the capital at a rate of QR0.10 per share, among others. (QSE)
- **QISI holds its AGM on April 05 –** Qatar Islamic Insurance Group (QISI) announced that the General Assembly Meeting (AGM) will be held on April 05, 2021, at the Group Head Office C Ring Road at 06:30 pm. In case of not completing the legal quorum, the second meeting will be held on April 11, 2021, at Group Head Office C Ring Road at 06:30 pm. The agenda includes to discuss the Group Policyholders and Shareholders' financial statements for the Year ended December 31, 2020. And to approve the recommendation made by the Board to Distribute cash dividend of 32.5 % of the share's nominal value, i.e. QR0.325 for each share held, to the shareholders for 2020 and approve it, among others (QSE)
- **MERS launches series of recycling initiatives with MME –** Al Meera Consumer Goods Company (MERS) has announced a series of recycling initiatives on the occasion of Global Recycling Day and in line with its role as a community leader in environmental responsibility and sustainability. The initiatives will run, in collaboration with the Ministry of Municipality and Environment (MME), from Thursday until March 20. "A champion of green initiatives, Al Meera remains at the forefront of promoting recycling in the country. Approximately half of Al Meera's branches are now equipped with recycling stations that have recycled over 7mn plastic bottles and cans," the retailer said in a statement. As part of this year's Global Recycling Day to dissuade single-use plastic, Al Meera will be giving away 20,000 eco-friendly shopping bags at select branches free of cost to encourage customers to shop with reusable bags. Under the initiative and to promote sustainable customer behavior, the retailer will award 10 times bonus points to Meera Rewards members on every item that is recycled at the store's recycling machines from today until Saturday. All of this will run parallel to a social media campaign that aims to create awareness for the weeklong initiatives, through an online activation, prompting the retailers' followers to proceed to the stores to recycle their waste. (Gulf-Times.com)

- **January producer prices up 6.4% as index continues to soar –** Producer prices in Qatar stayed in the inflationary territory in January as their index rose 6.4% MoM in keeping with its mostly upward trajectory since September. In the 12 months until December, the Producer Price Index (PPI) showed an increase of 2.1%, according to the Planning and Statistics Authority (PSA). PPI, which measures either the average change in the price of goods as they leave the place of production or as they enter the production process, covers goods related to a range of products produced domestically. The PPI for mining, which carries a maximum weightage of 72.7%, saw an increase of 8.4% in January MoM and 2.9% YoY. The PSA report attributed the surge to increase in producer prices of crude petroleum and natural gas. The manufacturing sector, which has a weightage of 26.8% in the index, declined 2.8% in January MoM, driven mostly by price falls in four groups — printing and reproduction of recorded media by 43%, refined petroleum products by 5.9%, beverages by 4.6%, and chemicals and chemical products by 3.2%. However, the sector saw price increases in four groups — rubber and plastics products and cement and other non-metallic mineral products by 4.2% each, food products by 2.9% and basic metals by 1.3%. On a YoY comparison, the manufacturing PPI of January dropped by 1.7%. The major groups that drove the prices down are: printing and reproduction of recorded media by 80.8%, beverages by 16.8%, basic metals by 13.4%, food products by 4.6%, and chemicals and chemical products by 0.2%. However, prices increased for cement and other non-metallic mineral products by 19%, rubber and plastics products by 10.2% and refined petroleum products by 2.3%. The PPI for electricity and water, which constitutes 0.5% of the index, showed a MoM decrease of 4.1% in production prices of electricity but a MoM increase of 0.2% in water prices. YoY, electricity prices jumped 1.1% and water prices rose 1.9%. (Qatar Tribune)
- **QP joins WB in global fight against routine flaring –** Qatar Petroleum (QP) has joined the World Bank-led Global Gas Flaring Reduction Partnership (GGFR) Multi-Donor Trust Fund, as part of its "commitment to stronger collaborations" in the global effort to reduce flaring or burning of natural gas associated with oil and gas exploration, production and processing operations. By committing to the World Bank's "Zero Routine Flaring by 2030" initiative, QP is supporting the global effort to end the industry practice of routinely flaring associated gas during oil production, a necessary goal if the world is to keep a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels. This announcement comes in accordance with, and commitment to, Qatar Petroleum's recently announced Sustainability Strategy, which acts as a clear direction towards reducing the emissions intensity of Qatar's LNG facilities by 25% and of its upstream facilities by at least 15%, and reducing flare intensity across upstream facilities by more than 75%. Qatar Petroleum's Sustainability Strategy also sets out a target to eliminate routine flaring by 2030, and limit fugitive methane emissions along the gas value chain by setting a methane intensity target of 0.2% across all facilities by 2025. (Gulf-Times.com)

International

- **Powell holds dovish line as Fed signals zero rates through 2023 –** Federal Reserve Chair Jerome Powell and his colleagues continued to project near-zero interest rates at least through 2023 despite upgrading their US economic outlook and the mounting inflation worries in financial markets. The decision, which came on a volatile day for investors with Treasury yields surging ahead of the announcement, masked a growing number of officials who saw liftoff before then -- though Powell stressed this remains a minority view. "The strong bulk of the committee is not showing a rate increase during this forecast period," Powell told a virtual press conference Wednesday following a meeting of the Federal Open Market Committee, adding that the time to talk about reducing the central bank's asset purchases was "not yet." Seven of 18 officials predicted higher rates by the end of 2023 compared with five of 17 at the December gathering, showing a slightly larger group who see an earlier start than peers to the withdrawal of ultra-easy monetary policy, according to fresh quarterly Fed projections. "Indicators of economic activity and employment have turned up recently, although the sectors most adversely affected by the pandemic remain weak," the FOMC said in its policy statement. "Inflation continues to run below 2%." The Fed expects that a bump in inflation this year will be short-lived. Officials saw their preferred measure of price pressures slowing to 2% next year following a spike to 2.4% in 2021, according to the projections. Excluding food and energy, inflation is forecast to hit 2.2% this year and fall to 2% in 2022. (Bloomberg)
- **Fed sees higher growth, above-target inflation this year, rates remaining steady –** The Federal Reserve on Wednesday projected a rapid jump in US economic growth and inflation this year as the COVID-19 crisis winds down, and repeated its pledge to keep its target interest rate near zero for years to come. The U.S. central bank now sees the economy growing 6.5% this year, and the unemployment rate falling to 4.5% by year's end, compared to growth of 4.2% and unemployment of 5% projected at its December policy meeting. The pace of price increases is now expected to exceed the Fed's 2% target for the year, hitting 2.4% by year's end before falling back in 2022. "Indicators of economic activity and employment have turned up," the policy-setting Federal Open Market Committee said in a statement that kept the benchmark overnight interest rate in a target range of zero to 0.25%. The improvement in the Fed's economic outlook did not immediately alter policymakers' expectations for interest rates, though the weight of opinion did shift. Seven of 18 officials now expect to raise rates in 2023, compared to five in December. Four officials now feel rates may need to rise as soon as next year, a change from zero as of the last projections in December. Fed Chair Jerome Powell was scheduled to hold a news conference at 2:30 p.m. EDT (1830 GMT) to discuss the outcome of the latest two-day policy meeting. The quarterly projections issued on Wednesday were the central bank's first since December, and incorporate developments including the rollout of coronavirus vaccines and the approval of two federal spending bills totaling about $2.8tn. (Reuters)
- **US homebuilding takes a step back amid bitterly cold weather –** US homebuilding dropped to a six-month low in February as severe cold gripped many parts of the country, in a temporary setback for a housing market that remains supported by

extremely lean inventories amid strong demand for larger homes. The report from the Commerce Department on Wednesday also showed a sharp decline in building permits last month. It followed on the heels of data this week showing that the deep freeze, which was most severe in Texas and other parts of the densely populated South region, depressed retail sales and output at factories. Though the second straight monthly decline in homebuilding could lead economists to trim their lofty gross domestic product estimates for the first quarter, a rebound in starts is expected in the April-June period, keeping intact predictions that economic growth this year will be the strongest since 1984. Indeed, the Federal Reserve on Wednesday projected robust growth and higher inflation this year. The US central bank, however, repeated its pledge to keep its benchmark overnight interest rate near zero for years to come. Housing starts fell 10.3% to a seasonally adjusted annual rate of 1.421mn units last month, the lowest level since last August. Economists polled by Reuters had forecast starts would decrease to a rate of 1.560mn units in February. (Reuters)

- **ACEA: European new car sales drop by 20% YoY in February –** European car registrations fell in February, industry data showed on Wednesday, as coronavirus lockdowns and accompanying uncertainty across Europe took a toll on sales. New car registrations dropped by 20.3% YoY to 850,170 vehicles in the European Union, Britain and the countries of the European Free Trade Association (EFTA), figures from the European Automobile Manufacturers' Association (ACEA) showed. Most European markets posted declines. Registrations in Spain registered a drop of 38%. Sales in France and Germany, fell by 21% and 19% respectively, while Italy reported a smaller drop of 12% in the month. Sales at Volkswagen and Stellantis dropped by 19% and 22% respectively, while Renault reported a fall of 29%. Luxury automakers also posted losses in February with sales at BMW falling 13% and rival Daimler reporting a 20% decline. Europe's carmakers are counting on sales in China, which hasn't reintroduced a coronavirus lockdown, to boost 2021 sales, after a rebound in the world's largest market helped the industry recovered faster last year. (Reuters)
- **German economy to shrink by 2% in first quarter: government advisers –** The German government's council of economic advisers said on Wednesday it expected Europe's largest economy to shrink by roughly 2% in the first quarter of this year due to lockdown measures to contain the COVID-19 pandemic. The council cut its full-year 2021 GDP growth forecast to 3.1% from 3.7% previously. It expects the economy to reach its pre-crisis level at the turn of the year 2021/22 and to grow by 4% next year. "The biggest downside risk remains the development of the coronavirus pandemic. The question how quickly the economy can get to normal mainly hinges on the vaccination progress," the council said in a statement, giving the first official forecast for the impact in the first three months of the year. Economists have warned that a decision by Germany and several other European countries to suspend AstraZeneca's COVID-19 vaccine could delay progress in reaching herd immunity and postpone a much hoped for easing of lockdown measures needed for a robust recovery in the second quarter. The European Union's drug regulator is investigating the reports of blood clots, bleeding and low platelet counts and will report its findings on Thursday. AstraZeneca has said a review of safety data had shown no evidence of an increased risk of clots. Council member Veronika Grimm said the AstraZeneca shot was needed to speed up Germany's already slow vaccination campaign. In order for Germany to achieve the EU target of vaccinating 70% of the adult population by the end of September 2021, authorities must increase the number of daily shots given at vaccination centres by 50%, Grimm said. (Reuters)
- **Japan exports fall as China, US demand weakens –** Japanese exports fell much faster than expected in February as US and China-bound shipments weakened, a source of concern for the world's third-largest economy as it tries to prop up growth. The prospects for a US recovery may ease concerns about the outlook for Japan's economy, however, which is seen slowing in the current quarter due to new COVID curbs that have hit service-sector activity. Ministry of Finance data out on Wednesday showed Japanese exports fell 4.5% year-on-year in February, hurt by decline in US-bound shipments of automobiles. "Japan's export growth has probably weakened this quarter, but uptrend remains intact," said Masaki Kuwahara, senior economist at Nomura Securities. "The Chinese economy will resume recovery once a renewed rise in infections fades, and the vaccine rollouts and huge stimulus will give a boost to the US economy, all of which should help accelerate Japan's exports and broader economy in April-June." It was the first decline in three months, following a 6.4% gain in January. It was also much bigger than a 0.8% drop expected by economists in a Reuters poll. By region, exports to China rose 3.4% in the year to February, led by chip-making equipment, nonferrous metals and plastic, slowing sharply from a 37.5% gain in the prior month due partly to the Lunar New Year holidays that fell in February. US-bound shipments, another key export market for Japanese goods, declined 14.0% YoY in February, dragged down by automobiles, airplane parts and motors, after a 4.8% drop in the prior month and posting a fourth straight month of declines. Exports to Asia, which accounts for more than half of Japan's overall shipments, fell 0.8% in the year to February, while those to European Union declined 3.3%, the data showed. (Reuters)
- **Credit Suisse flags financial hit over Greensill collapse –** Credit Suisse may have to book a charge over its dealings with Greensill, it warned on Tuesday, as investor scrutiny grows over its relationship with the British supply-chain finance company that collapsed into insolvency. The Swiss bank has had to close around $10bn of supply-chain finance funds that bought notes issued by Greensill, and which it marketed to clients. It is also trying to recoup a $140mn loan it made to the company last year. "While these issues are still at an early stage, we would note that it is possible that Credit Suisse will incur a charge in respect of these matters," it said. Greensill filed for insolvency last week after losing insurance coverage for its debt repackaging business. Credit Suisse's share price has fallen over 10% since it announced its supply-chain funds were suspended on March 1. It has paid investors about $3.1bn in redemptions from the four funds so far, and said it would be announcing further cash distributions over coming months. The bank also said on Tuesday that, "contrary to certain reports", its chief risk and compliance officer, Lara Warner, was not aware

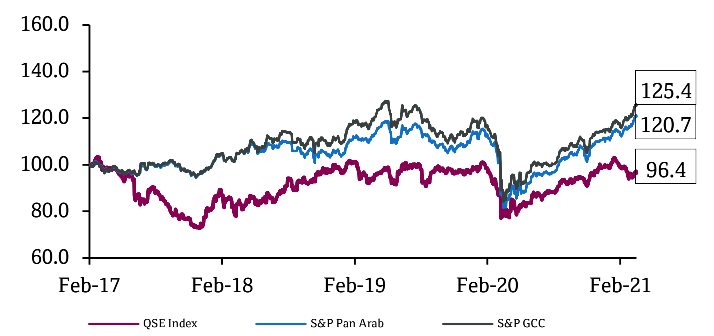
until February 22 that insurance related to Greensill could expire on March 1. (Reuters)

Regional

- **Rise in Mergers and Acquisition activity in GCC banking sector –** Against the backdrop of the COVID-19 pandemic and volatile oil prices, banks in the GCC will continue to consolidate to strengthen their balance sheet, global consultancy firm KPMG has said. The year 2020 has been a challenging year for banks globally. For economies in the region, the pandemic along with a volatile oil price resulted in contractions in credit and equity markets. Despite the banking sector soundness that provided an important cushioning in the GCC to the oil price decline since 2014, liquidity conditions have started to tighten due to the recent dual shock. The current unprecedented times of the pandemic have resulted in subdued business activity, especially for small and medium sized enterprise's (SME), which account for nearly 85% - 90% of registered companies in the region. This has resulted in banks experiencing surge in non-performing loans or credit losses, further impacting net income margins. In GCC, the overall net profit declined by 34.7% to $12.3bn in 1H2020, compared with $18.8bn in 1H2019. (Peninsula Business)
- **IEA: OPEC output falls on Saudi cuts; allies' compliance slips –** OPEC's February output shrank by 3% MoM to 24.75mn bpd as Saudi Arabia slashed supply, offsetting increases from other producers in the Middle East, the IEA said in its monthly market report. Saudi production sank to 8.14mn bpd in February from 9.1mn bpd in January after pledging an additional 1mn bpd unilateral cut. Iraqi output rose to 3.89mn bpd from 3.83mn bpd, while Kuwaiti supply expanded by 20k bpd to 2.35mn bpd, UAE held steady at 2.61mn bpd. (Bloomberg)
- **Saudi, Kuwait discuss next steps on neutral zone agreement –** Saudi Arabian and Kuwaiti oil ministers reviewed the agreement signed between the two countries in late 2019 on resuming oil production in a shared border region, state-run KUNA reported. The two ministers discussed the next steps on implementing the agreement. (Bloomberg)
- **Saudi Arabia pays more Aramco IPO fees as Wall Street misses out –** Saudi Arabia recently paid around $50mn of extra fees to banks on the record-breaking listing of state oil company Aramco, with most of the cash going to local underwriters after Wall Street firms were sidelined, sources said. The discretionary incentive fee -- doled out to reward banks for the amount of orders they brought in -- was transferred to arrangers of the 2019 share sale in the last couple months, according to the people. The payments totaled about 0.25% of the money raised from institutional investors, the sources said. (Bloomberg)
- **Saudi mall operator Arabian Centres plans $500mn Sukuk –** Saudi Arabian mall operator Arabian Centres is planning a sale of $500mn Sukuk, or Islamic bonds, sources familiar with the matter said, in what would be the first Saudi corporate international bond issuance this year. Arabian Centres, which operates 21 shopping centers across Saudi Arabia, made its debut in the international Sukuk market in 2019 with a $500mn issuance, after going public earlier that year with a SR2.8bn initial public offering in Saudi Arabia. The company, which did not immediately respond to a request for comment, saw its net profit drop an annual 34.1% in the nine-month period ending on Dec. 31 last year, as containment measures against the coronavirus pandemic impacted business. HSBC is helping the firm to arrange the deal, the sources said, with one of them adding Goldman Sachs has also been chosen to lead the transaction. The two banks declined to comment when contacted by Reuters on Wednesday. Proceeds from the planned debt sale - expected to happen before Ramadan - will be used to refinance outstanding debt and to back expansion plans, said one of the sources. (Reuters)
- **India, UAE vow to strengthen energy cooperation –** India and the UAE on Wednesday discussed ways to strengthen energy cooperation, India's Oil Minister, Dharmendra Pradhan said, despite the South Asian nation asking its refiners to reduce their reliance on Middle Eastern oil. "(We) discussed about new areas of cooperation in the hydrocarbon sector and beyond and agreed to remain committed despite the challenges presented by Covid pandemic," Pradhan said after a virtual meeting with Sultan Al Jaber, the chief executive of Abu Dhabi National Oil Co (ADNOC). UAE is a key oil supplier to India and a partner in an Indian joint venture that plans to build a 1.2mn bpd refinery and petrochemical complex on the country's west coast. Last month, the UAE was the fifth biggest oil supplier to India, which itself is the world's third biggest oil importer and consumer. (Reuters)
- **Tabreed says no acquisition pact in place for Nakheel assets –** There is no acquisition agreement in place with any counterparty for the acquisition of Nakheel's assets, the UAE-based district cooling provider says. It has reiterated that it is continuously exploring potential acquisition opportunities in the Middle East and abroad. (Bloomberg)
- **Abu Dhabi utility Taqa said to weigh sale of oil and gas assets –** Abu Dhabi National Energy Co. (TAQA) is considering options for its oil and gas assets, including a potential sale, as the state-owned utility focuses more on power generation, people familiar with the matter said. The company, also known as TAQA, is speaking with potential advisors as it reviews a business that spans countries including the UK and Canada, the people said, asking not to be identified as the matter is private. TAQA's oil and gas portfolio could be worth substantially less than the billions of dollars it spent to build it, the people said. No final decisions have been made and it may decide not to proceed with a sale, the sources said. (Bloomberg)
- **Kuwait backs down after threatening lawmakers for gathering during pandemic –** Kuwait's government backed down on Wednesday after threatening legal action this month against lawmakers from the elected parliament for violating COVID-19 rules by holding private gatherings and a press conference. Prime Minister, Sheikh Sabah al-Khalid al-Sabah said in a statement the interior ministry had withdrawn a decision to refer members of parliament to prosecutors. The move was a step back from a months-long standoff between the elected parliament and the appointed prime minister, which has posed a political challenge for Emir Sheikh Nawaf al-Ahmad al-Sabah, who assumed power in September. (Reuters)
- **Oman bans direct passenger flights from UK as of March 19 –** Oman will suspend direct passenger flights from the United Kingdom and suspend the entry of non-citizens who traveled

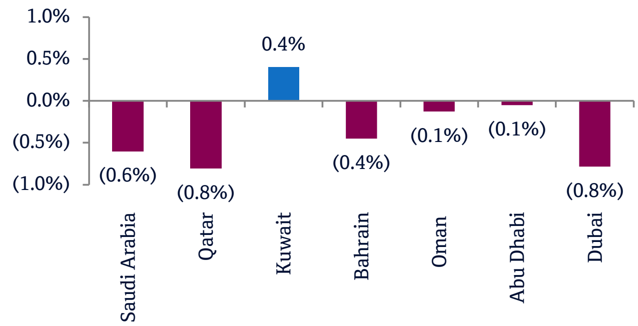
there in the previous two weeks as of March 19, as part of measures to curb the spread of coronavirus, state media said on Wednesday. They said the Gulf Arab state's coronavirus committee has also renewed the order closing all commercial activities in the sultanate from 8 pm to 5 am until April 3. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,745.33	0.8	1.1	(8.1)
Silver/Ounce	26.32	1.5	1.5	(0.3)
Crude Oil (Brent)/Barrel (FM Future)	68.00	(0.6)	(1.8)	31.3
Crude Oil (WTI)/Barrel (FM Future)	64.60	(0.3)	(1.5)	33.1
Natural Gas (Henry Hub)/MMBtu	2.50	0.0	(3.1)	5.0
LPG Propane (Arab Gulf)/Ton	91.00	(1.8)	(4.0)	20.9
LPG Butane (Arab Gulf)/Ton	100.75	(1.5)	(4.5)	34.3
Euro	1.20	0.6	0.2	(1.9)
Yen	108.84	(0.1)	(0.2)	5.4
GBP	1.40	0.5	0.3	2.2
CHF	1.08	0.2	0.7	(4.1)
AUD	0.78	0.7	0.4	1.4
USD Index	91.44	(0.5)	(0.3)	1.7
RUB	73.63	1.1	0.4	(1.0)
BRL	0.18	0.6	(0.7)	(7.1)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,826.79	0.1	0.7	5.1
DJ Industrial	33,015.37	0.6	0.7	7.9
S&P 500	3,974.12	0.3	0.8	5.8
NASDAQ 100	13,525.20	0.4	1.5	4.9
STOXX 600	424.91	(0.4)	0.1	3.7
DAX	14,596.61	0.3	0.3	3.1
FTSE 100	6,762.67	(0.9)	(0.4)	6.3
CAC 40	6,054.82	0.0	(0.2)	6.2
Nikkei	29,914.33	(0.3)	0.5	3.0
MSCI EM	1,342.80	(0.5)	(0.4)	4.0
SHANGHAI SE Composite	3,445.55	(0.0)	(0.2)	(0.4)
HANG SENG	29,034.12	0.0	1.0	6.4
BSE SENSEX	49,801.62	(1.2)	(1.8)	5.0
Bovespa	116,549.40	1.3	0.7	(10.4)
RTS	1,493.66	(3.8)	(1.7)	7.7

Source: Bloomberg (*$ adjusted returns)

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