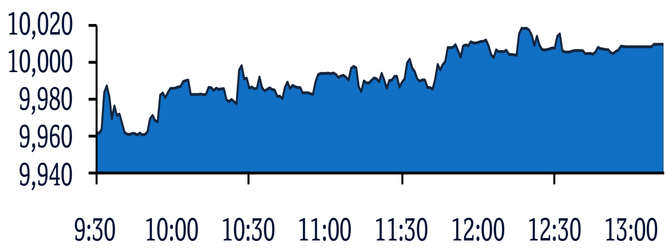
Daily Market Report

Monday, 19 October 2020

QSE Intra-Day Movement



Market Indicators	18 Oct 20	15 Oct 20	%Chg.
Value Traded (QR mn)	359.6	337.7	6.5
Exch. Market Cap. (QR mn)	596,384.9	595,612.1	0.1
Volume (mn)	200.8	166.4	20.7
Number of Transactions	6,834	7,219	(5.3)
Companies Traded	45	44	2.3
Market Breadth	26:19	9:32	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,243.44	0.1	0.1	0.3	16.5
All Share Index	3,090.57	(0.0)	(0.0)	(0.3)	17.4
Banks	4,124.08	(0.1)	(0.1)	(2.3)	14.2
Industrials	2,941.74	(0.4)	(0.4)	0.3	25.5
Transportation	2,843.16	0.6	0.6	11.3	13.5
Real Estate	2,097.85	1.0	1.0	34.0	16.6
Insurance	2,272.89	0.9	0.9	(16.9)	32.8
Telecoms	934.89	(0.1)	(0.1)	4.5	15.8
Consumer	8,105.58	(0.1)	(0.1)	(6.3)	28.3
Al Rayan Islamic Index	4,196.32	0.1	0.1	6.2	18.7

Qatar Commentary

The QE Index rose 0.1% to close at 10,009.8. Gains were led by the Real Estate and Insurance indices, gaining 1.0% and 0.9%, respectively. Top gainers were INMA Holding and Medicare Group, rising 4.6% and 3.4%, respectively. Among the top losers, Qatar Cinema & Film Distribution Company fell 9.0%, while Qatari German Company for Medical Devices was down 4.9%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.1% to close at 8,560.8. Gains were led by the Software & Services and Food & Beverages indices, rising 6.7% and 2.2% respectively. Al-Jazira RIET Fund rose 9.8%, while Taleem REIT was up 9.3%.

Dubai: The DFM Index fell 0.6% to close at 2,181.2. The Insurance index declined 2.0%, while the Transportation index fell 1.3%. Ithmaar Holding fell 5.0%, while Amlak Finance was down 4.8%.

Abu Dhabi: The ADX General Index fell 0.2% to close at 4,547.0. The Consumer Staples index declined 1.1%, while the Investment & Financial Services index fell 0.3%. Gulf Cement Co. declined 4.8%, while Sharjah Islamic Bank was down 1.7%.

Kuwait: The Kuwait All Share Index fell 0.9% to close at 5,685.8. The Technology index declined 2.0%, while the Real Estate index fell 1.9%. Warba Bank declined 5.7%, while Kuwait Hotels was down 5.0%.

Oman: The MSM 30 Index gained 0.2% to close at 3,602.5. The Services index gained 0.6%, while the other indices ended in red. Al Jazeera Services Company rose 5.6%, while SMN Power Holding was up 5.1%.

Bahrain: The BHB Index fell 0.1% to close at 1,476.9. The Commercial Banks and Investment indices declined 0.1% each. Nass Corporation declined 9.3%, while Ithmaar Holding was down 5.6%.

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bank Dhofar	Oman	0.11	3.9	148.9	(13.0)
Almarai Co.	Saudi Arabia	57.20	3.4	5,580.2	15.6
Ooredoo Oman	Oman	0.38	3.2	144.0	(26.7)
Ezdan Holding Group	Qatar	2.28	2.7	23,427.3	270.9
Barwa Real Estate Co.	Qatar	3.52	2.1	7,485.3	(0.5)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mabanee Co.	Kuwait	0.70	(3.8)	2,867.7	(18.0)
Burgan Bank	Kuwait	0.22	(2.6)	3,660.9	(27.3)
Boubyan Bank	Kuwait	0.62	(2.2)	2,201.5	2.1
Ominvest	Oman	0.32	(1.8)	126.2	(5.3)
Kuwait Finance House	Kuwait	0.70	(1.6)	20,085.0	(5.5)

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%
INMA Holding	4.62	4.6	1,711.1	143.4
Medicare Group	9.25	3.4	356.5	9.5
Doha Bank	2.50	2.8	5,073.7	(1.2)
Ezdan Holding Group	2.28	2.7	23,427.3	270.9
Qatar Insurance Company	2.32	2.5	1,713.8	(26.6)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	3.81	(9.0)	0.2	73.3
Qatari German Co for Med. Dev.	2.05	(4.9)	4,771.2	252.2
Qatar General Ins. & Reins. Co.	2.28	(4.8)	5.5	(7.3)
Investment Holding Group	0.62	(2.5)	62,868.0	9.2
United Development Company	1.79	(1.2)	3,710.3	17.4

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.62	(2.5)	62,868.0	9.2
Ezdan Holding Group	2.28	2.7	23,427.3	270.9
Mazaya Qatar Real Estate Dev.	1.22	1.7	14,289.0	69.0
Salam International Inv. Ltd.	0.69	(1.0)	11,451.8	32.9
Qatar Aluminium Manufacturing	1.06	(1.1)	10,823.5	36.0

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Ezdan Holding Group	2.28	2.7	53,194.3	270.9
The Commercial Bank	4.20	1.2	39,250.6	(10.6)
Investment Holding Group	0.62	(2.5)	39,044.0	9.2
Barwa Real Estate Company	3.52	2.1	26,290.0	(0.5)
Qatar Gas Transport Co. Ltd.	2.74	1.7	24,330.0	14.6

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,009.76	0.1	0.1	0.2	(4.0)	571.95	161,739.6	16.5	1.5	3.9
Dubai	2,181.22	(0.6)	(0.6)	(4.1)	(21.1)	24.84	83,777.6	7.9	0.8	4.4
Abu Dhabi	4,546.95	(0.2)	(0.2)	0.6	(10.4)	166.18	185,609.4	16.6	1.3	5.4
Saudi Arabia	8,560.81	0.1	0.1	3.2	2.0	2,463.01	2,455,475.6	30.8	2.1	2.3
Kuwait	5,685.82	(0.9)	(0.9)	4.4	(9.5)	164.16	103,642.4	31.2	1.4	3.4
Oman	3,602.46	0.2	0.2	(0.3)	(9.5)	2.07	16,336.6	10.7	0.7	6.9
Bahrain	1,476.93	(0.1)	(0.1)	3.0	(8.3)	2.04	22,560.4	13.8	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 rose 0.1% to close at 10,009.8. The Real Estate and Insurance indices led the gains. The index rose on the back of buying support from Arab and Foreign shareholders despite selling pressure from Qatari and GCC shareholders.
- INMA Holding and Medicare Group were the top gainers, rising 4.6% and 3.4%, respectively. Among the top losers, Qatar Cinema & Film Distribution Company fell 9.0%, while Qatari German Company for Medical Devices was down 4.9%.
- Volume of shares traded on Sunday rose by 20.7% to 200.8mn from 166.4mn on Thursday. However, as compared to the 30-day moving average of 341.1mn, volume for the day was 41.1% lower. Investment Holding Group and Ezdan Holding Group were the most active stocks, contributing 31.3% and 11.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	50.94%	62.13%	(40,220,602.6)
Qatari Institutions	22.70%	14.19%	30,605,527.1
Qatari	**73.65%**	**76.32%**	**(9,615,075.5)**
GCC Individuals	0.86%	1.31%	(1,615,554.9)
GCC Institutions	0.75%	0.61%	494,754.5
GCC	**1.61%**	**1.92%**	**(1,120,800.4)**
Arab Individuals	13.95%	12.17%	6,422,858.0
Arab Institutions	0.03%	–	88,800.0
Arab	**13.98%**	**12.17%**	**6,511,658.0**
Foreigners Individuals	2.30%	1.89%	1,477,800.5
Foreigners Institutions	8.48%	7.71%	2,746,417.4
Foreigners	**10.77%**	**9.60%**	**4,224,217.9**

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

Earnings Releases and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2020	% Change YoY	Operating Profit (mn) 3Q2020	% Change YoY	Net Profit (mn) 3Q2020	% Change YoY
Saudi Vitrified Clay Pipes Co.	Saudi Arabia	SR	28.1	-1.0%	1.8	-25.6%	0.9	-38.1%
Yanbu National Petrochemical Co.	Saudi Arabia	SR	1,440.7	1.3%	201.0	-2.1%	195.6	-7.8%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 3Q2020 results	No. of days remaining	Status
QGTS	Qatar Gas Transport Company Limited (Nakilat)	19-Oct-20	0	Due
QEWS	Qatar Electricity & Water Company	19-Oct-20	0	Due
QIGD	Qatari Investors Group	19-Oct-20	0	Due
QNCD	Qatar National Cement Company	20-Oct-20	1	Due
GWCS	Gulf Warehousing Company	20-Oct-20	1	Due
MCGS	Medicare Group	20-Oct-20	1	Due
WDAM	Widam Food Company	21-Oct-20	2	Due
QNNS	Qatar Navigation (Milaha)	21-Oct-20	2	Due
ABQK	Ahli Bank	21-Oct-20	2	Due
QAMC	Qatar Aluminum Manufacturing Company	22-Oct-20	3	Due
KCBK	Al Khalij Commercial Bank	22-Oct-20	3	Due
QGMD	Qatari German Company for Medical Devices	22-Oct-20	3	Due
CBQK	The Commercial Bank	25-Oct-20	6	Due
QCFS	Qatar Cinema & Film Distribution Company	25-Oct-20	6	Due
MCCS	Mannai Corporation	26-Oct-20	7	Due
VFQS	Vodafone Qatar	26-Oct-20	7	Due
QIIK	Qatar International Islamic Bank	26-Oct-20	7	Due
DBIS	Dlala Brokerage & Investment Holding Company	26-Oct-20	7	Due
BLDN	Baladna	26-Oct-20	7	Due
BRES	Barwa Real Estate Company	27-Oct-20	8	Due
QGRI	Qatar General Insurance & Reinsurance Company	27-Oct-20	8	Due
IGRD	Investment Holding Group	27-Oct-20	8	Due
QIMD	Qatar Industrial Manufacturing Company	27-Oct-20	8	Due
IQCD	Industries Qatar	27-Oct-20	8	Due
QISI	Qatar Islamic Insurance Group	27-Oct-20	8	Due
DHBK	Doha Bank	27-Oct-20	8	Due
MRDS	Mazaya Qatar Real Estate Development	28-Oct-20	9	Due
QOIS	Qatar Oman Investment Company	28-Oct-20	9	Due

Tickers	Company Name	Date of reporting 3Q2020 results	No. of days remaining	Status
MPHC	Mesaieed Petrochemical Holding Company	28-Oct-20	9	Due
SIIS	Salam International Investment Limited	28-Oct-20	9	Due
DOHI	Doha Insurance Group	28-Oct-20	9	Due
QFBQ	Qatar First Bank	28-Oct-20	9	Due
MERS	Al Meera Consumer Goods Company	28-Oct-20	9	Due
ORDS	Ooredoo	28-Oct-20	9	Due
UDCD	United Development Company	28-Oct-20	9	Due
AHCS	Aamal Company	28-Oct-20	9	Due
GISS	Gulf International Services	29-Oct-20	10	Due
NLCS	Alijarah Holding	29-Oct-20	10	Due
ZHCD	Zad Holding Company	29-Oct-20	10	Due
AKHI	Al Khaleej Takaful Insurance Company	29-Oct-20	10	Due

Source: QSE

News

Qatar

- **IHGS' bottom line rises 2.2% QoQ in 3Q2020 –** INMA Holding Company (IHGS) reported net profit of QR2.24mn in 3Q2020 as compared to net loss of QR0.2mn in 3Q2019 and net profit of QR2.19mn in 2Q2020 (+2.2% QoQ). In 9M2020, IHGS reported net profit of QR4,703,782 in comparison to net loss of QR346,668 for the same period of the previous year. The earnings per share amounted to QR0.083 in 9M2020 as compared to loss per share of QR0.006 in 9M2019. (QSE)
- **DHBK to hold conference call on October 22 –** Doha Bank (DHBK) will hold its investor relations conference call to discuss the financial results for 3Q2020 on October 22, 2020 at 12:00pm, Doha Time. (QSE)
- **BRES to develop integrated cities for low, middle class segments –** Barwa Real Estate Company (BRES) is planning to develop integrated cities for low and middle class segments as part of efforts to enhance its position as a strategic real estate developer. The company is looking at vital areas for the construction of these projects in order to ensure benefiting from the advanced infrastructure of the highway network, different transportation services and the developmental and logistical projects in Qatar. This comes in the wake of BRES' keenness to improve the quality of life for low and middle income groups by providing high quality residential units at reasonable prices. After completing the study for the low and middle class income residential projects, the group will take into consideration partnering with national companies for the implementation, according to BRES' Acting CEO, Abdullah bin Jobara Al-Rumaihi. The low- and middle-income groups enjoy a unique position in Barwa real estate investment portfolio. The upcoming opportunities are a continuation of what the group has started long time back by developing Masaken Mesaimeer and Masaken Al Sailiya, which had contributed, at the time, to alleviating the impact of the housing crisis and limiting the rise in residential rental values caused by the exceptional situation imposed on the realty market in that era, as a result of the tremendous economic growth of Qatar. (Gulf-Times.com)
- **Book building regime' awaits Qatar bourse IPO aspirants –** The initial public offering (IPO) market in Qatar is all set to witness drastic changes as companies wishing to go public will soon have a book building regime in place, it is learnt. "As far as we understand, the talks (at the highest level) have been held regarding this," a market source said, adding an announcement is imminent. This development comes in the backdrop of the meeting between the Qatar Stock Exchange and the Qatar Financial Market Authority (QFMA) last month regarding the offerings and listings. The book-building is the process by which the offering adviser submits an evaluation to the company wishing to make an IPO to a group of qualified investors (including but not limited financial services firms, state institutions and state-owned companies). Book building is one of the mechanisms the QFMA intends to work with as part of mechanisms for evaluating companies wishing to make public offerings of their shares to investors, the QFMA had said in its latest annual report. Unlike the present system, where the demand could be assessed only at the time of closing of the subscription of an IPO; the book building route is dynamic as it gauges the demand as the book is built, sources said. "The book building is an efficient tool of price discovery. It is one of the missing blocks that the exchange needs to get into the developed market status," an analyst with a leading global advisory firm said. This move comes especially in view of as many as three maiden offers that are currently being discussed in the country. The QFMA said many advantages have been added to the draft rulebook and has been circulated for market consultation and the advantages include new mechanisms to conduct the IPOs such as book building as well as a 'price stability fund' to protect individuals and small investors. Indications are that two maiden offers are on the tap in the near term. It is learnt that top QSE officials had a meeting with one of the leading family-owned entities that is into realty and agriculture. Earlier, there were reports that Rayan bottled water firm may seek a listing. Market sources are of the view that nitty-gritties have been hammered out and the companies could either "list directly or follow the book building system". To strengthen the primary market, the QSE official said, FOCs or family-owned companies, which constitute 90% of the private sector firms, need to enter but they are rather "shy". (Gulf-Times.com)
- **Private companies go on hiring spree –** Qatar's private sector has come forward in stimulating local job market. Private companies have started mass hiring, signaling revival in Qatar's job market. Many leading companies are now on hiring spree, highlighting prominent role being played by Qatar's private sector in job creation. UCC holding was among one of

the first companies which started mass hiring in September, indicating turnaround in the job market which was hit by COVID-19 outbreak. Taking the cue, other leading groups and companies have hit the job market and are scouting for local talent. NAAAS Holding Group, Galfar Al Misnad, National Industrial Contracting Company (NICC), the CCC (Consolidated Contractors Company) Group, IMAR Group, Saleh Al Hamad Al Mana and other big names are looking for talented workforce. They have placed advertisements in print and social media, seeking applications from prospective candidates. Companies from construction sectors are leading from the front in terms of hiring. Apart from construction, companies from logistics, health, food and beverages and retail sector are also scouting for local talent. (Peninsula Qatar)

International

- **IMF Chief says 'much more decisive' action needed to deal with debt problems –** The head of the International Monetary Fund called for significant steps to address the increasingly unsustainable debt burdens of some countries, urging creditors and debtors to start restructuring processes sooner rather than later. IMF Managing Director Kristalina Georgieva said a six-month extension of the Group of 20 major economies' freeze in official bilateral payments would help low-income countries hammered by the COVID-19 pandemic, but more urgent action was needed. "We are buying some time, but we have to face reality that there are much more decisive actions ahead of us," she told an online event hosted by the Group of Thirty former policymakers and academics, urging creditors and countries facing debt distress to start restructuring debts without delay. "Doing too little too late is costly to debtors, costly also to creditors," she said, warning that global debt levels would reach 100% of gross domestic product in 2021, and the negative impact of sovereign defaults could quickly spread. She said creditors should adopt contractual provisions to minimize economic disruption, increase transparency and endorse a common framework agreed in principle by the G20 last week. Georgieva's remarks come amid growing concern about sharp increases in debt levels, especially among low- and middle-income countries hard hit by the new coronavirus, a drop in tourism and in some cases, lower oil prices. The G20 Debt Service Suspension Initiative has helped 44 countries defer $5bn to spend on mitigating the COVID-19 crisis, but its efficacy has been limited by the absence of private creditors and China's failure to include all state-owned institutions. (Reuters)
- **Britain and EU to try to rescue post-Brexit trade talks –** Britain and the European Union (EU) will on Monday attempt to breathe life into post-Brexit trade talks that appeared all but dead last week, with each side telling the other it needed to fundamentally change course. British Prime Minister Boris Johnson said on Friday there was no point in continuing talks and it was time to prepare for a 'no-deal' exit when transitional arrangements end on December 31. But Michael Gove, one of his senior ministers, struck a more conciliatory tone on Sunday, saying the door was still ajar to a deal if the bloc was willing to compromise. EU chief negotiator Michel Barnier had been due in London for talks with his British counterpart David Frost this week. Instead, they will now speak by telephone on Monday to discuss the structure of future talks, Barnier's spokesman said. Negotiations broke down on Thursday when the European Union said Britain needed to give ground. Issues still to be resolved include fair competition rules, dispute resolution and fisheries. Gove said that the bloc had squandered some of the progress that had been made because it had not been willing to intensify talks or produce detailed legal texts. "We hope that the EU will change their position; we're certainly not saying if they do change their position that we can't talk to them," he said. (Reuters)
- **Britain tells businesses to step up plans for no-deal EU exit –** Britain is urging businesses to step up preparations for a no-deal exit from the European Union (EU) when transitional arrangements end, telling them in a campaign that "time is running out". Talks between Britain and the EU on a trade deal ended in recrimination last week, with both sides saying the other needed to compromise. British Prime Minister Boris Johnson said on Friday there was no point in continuing discussions and it was now time to prepare for an exit without a trade deal. Senior minister Michael Gove, however, said on Sunday the door was still ajar for talks to continue. Johnson and Gove will hold a call with business leaders this week, the government said, while 200,000 traders will receive a letter setting out new customs and tax rules. "Make no mistake, there are changes coming in just 75 days and time is running out for businesses to act," Gove said in a statement. "It is on all of us to put in the work now so that we can embrace the new opportunities available to an independent trading nation with control of its own borders, territorial waters and laws." The British Chambers of Commerce said the government was responsible for any lack of preparation on the part of business. (Reuters)
- **ECB's Lagarde says new virus-related restrictions heighten uncertainty –** New coronavirus-related restrictions on everyday life in the Eurozone add to the economic uncertainty, underlining the need for continued easy fiscal and monetary policy, European Central Bank President Christine Lagarde said. "It is clear that both fiscal support and monetary policy support have to remain in place for as long as necessary and 'cliff effects' must be avoided," Lagarde told an economic forum. "New coronavirus-related restrictions currently being introduced across Europe will add to uncertainty for firms and households," she told a meeting of the G30, a group of financiers, central bankers and academics. (Reuters)
- **ECB's Knot: interest rates likely to stay low for years –** Interest rates in the euro zone are very likely to remain at their current historically low levels in the coming years, European Central Bank (ECB) governing council member Klaas Knot said on Sunday. "At this moment, I don't see any factors looming on the horizon that would make me think that interest rates will change significantly in the coming years", the Dutch central bank president said in an interview on Dutch public television. (Reuters)
- **Altmaier: German econ forecasts solid as long as coronavirus contained –** The German government is unlikely to make significant changes to its autumn economic forecasts, Economy Minister Peter Altmaier said, while cautioning that a failure to contain the coronavirus pandemic could spell trouble. Berlin

currently expects gross domestic product to shrink in 2020 by 5.8% before rebounding by 4.4% next year. But, Altmaier told ARD public television, "that of course assumes we will bring the pandemic under control, that we break the rapid increase in infections, and we succeed in returning to the situation we had from May to August." Although less hard hit than much of Europe, Germany has experienced a second wave of infection, with the daily total hitting a record 7,830 on Saturday. Echoing a call by Chancellor Angela Merkel on Germans to cut social contacts and travel to slow infection, Altmaier said people need to make greater efforts to curb the pandemic so that schools, kindergartens and businesses can stay open. (Reuters)

- **Italy approves new stimulus package to help virus-hit economy –** Italy has approved a new stimulus package in its 2021 budget to foster an economic rebound from the recession caused by the coronavirus crisis, a government statement said on Sunday after a late-night cabinet meeting. Expansionary measures in 2021 will total more than 39bn Euros ($45.70bn), including some 15bn Euros of grants from the European Union's Recovery Fund, Economy Minister Roberto Gualtieri wrote on Facebook. The ruling coalition, led by the anti-establishment 5-Star Movement and centre-left PD party, agreed a preliminary version of the budget, a government source said, leaving final details to be hammered out. Among several measures, the government has set up a 4bn Euro fund to compensate companies worst hit by coronavirus lockdowns and extended until January a moratorium on repayments for loans to small and medium-sized businesses. The budget also extends temporary lay-off schemes for companies with workers on furlough at a cost of 5bn Euros. Almost 6bn Euros are aimed at offering tax breaks to support employment in the poor south of the country, Gualtieri said. Italian Prime Minister Giuseppe Conte is expected on Sunday to announce new measures to curb the steady spike in COVID-19 cases over recent weeks. One of the European countries worst hit by the pandemic, Italy has forecast a 9% economic contraction for 2020 and a budget deficit equating to 10.8% of GDP. The budget is expected to keep Italy's deficit next year to 7% of economic output, up from a 5.7% forecast in April, reflecting the additional spending. (Reuters)
- **Japan export decline slows dramatically as US-bound car shipments jump –** Japan's exports fell in September at the slowest pace in seven months as US-bound vehicle shipments rose from lows brought about by the COVID-19 pandemic, indicating easing pressure on the world's third-largest economy. Exports fell 4.9% in September compared with the same month a year earlier, more than the 2.4% economists forecast in a Reuters poll. Still, the pace followed six months of double-digit decline, including a 14.8% drop in August. Fewer exports of iron to Taiwan and ships to Panama left September marking the 22nd consecutive month of export decline, the longest run since the 23-month stretch through July 1987. To help the economy through the health crisis, the government should compile a third extra budget for the current fiscal year, economists told Reuters last week. The two earlier budgets helped fund $2.2tn in economic stimulus, such as cash payments to households and small business loans. Indeed, Prime Minister Yoshihide Suga plans to order his government to compile another stimulus plan as early as November, to support consumer sentiment at risk from a new wave of COVID-19 infection, local media reported. Still, the slowing decline in exports adds to other signs of gradual economic recovery such as a pickup in factory output. (Reuters)
- **Kuroda: BOJ has no plan to change inflation target, forward guidance –** Bank of Japan (BOJ) Governor Haruhiko Kuroda said on Sunday there was no need to change the central bank's inflation target or forward guidance, even though the US and Europe are reviewing their policy frameworks to seek better ways to prop up growth. By committing to increase the monetary base until inflation stably overshoots its 2% target, the BOJ already has a framework "quite similar" to the US Federal Reserve's average inflation target, Kuroda said. "We have no intention to change our inflation targeting policy and forward guidance," Kuroda said in an online International Banking Seminar of the Group of 30. The US Federal Reserve in August rolled out a major rewrite of its policy by pledging to let the job market run hotter in the future and inflation rise above target after a period of misses. The European Central Bank is also embarking on a policy review, with some of its policymakers warming to the idea of introducing changes similar to those of the Fed. Kuroda maintained his fairly upbeat view on Japan's economy, saying it was likely to follow an improving trend though risks were skewed to the downside due to uncertainty regarding the fallout from COVID-19. (Reuters)
- **China passes export-control law following US moves –** China passed a law restricting exports of controlled items, allowing the government to act against countries that abuse export controls in a way that harm's China's interests, state media said. The Xinhua news report late on Saturday did not name any target countries, but the US last month angered Beijing with curbs on exports to Semiconductor Manufacturing International Corp, China's biggest chipmaker, and it has taken various steps against Huawei Technologies Co and other companies. China and the US have clashed over issues including trade, human rights, technology and the new coronavirus, which was first detected in China. The new Chinese law, passed on Saturday by the National People's Congress Standing Committee, the country's top legislative body, will take effect on December 1, Xinhua said. Controlled items include military and nuclear products, as well as other goods, technologies and services and relevant data, according to a statement on the National People's Congress website. It said the law was "formulated for the purpose of safeguarding national security and interests." In August, China's commerce ministry issued a revised list of technologies that are banned or restricted for export. (Reuters)
- **China's central bank head says economy to expand about 2% this year –** China will see its economy expand by about 2% this year as it has got the coronavirus pandemic under control, central bank governor Yi Gang said on Sunday, signaling confidence about the prospects of a domestic demand-driven recovery. His remark comes ahead of Monday's closely watched gross domestic product (GDP) data, which is likely to show the world's second-largest economy grew 5.2% in July-September from a year earlier. "I think the accumulative growth for the first three quarters of this year will be positive ... For the whole year, we predict China GDP growth of around 2%," Yi said.

China's fiscal and monetary policies will focus on helping small and medium-size firms weather the pain from the health crisis, while ensuring that domestic demand plays a bigger role in boosting growth, he added. Yi said China's currency rate was appreciating against the U.S. dollar "significantly" in the past three months reflecting interest-rate differentials between the two countries - a development he said should be left to market forces. "Monetary policy should focus on domestic demand, domestic inflation targeting ... and let the market decide the exchange rate," he said. China's economic outlook has turned more optimistic on aggressive government stimulus, with recent data pointing to a steady improvement from the COVID-19 health crisis. (Reuters)

- **China's economic recovery quickens in third quarter but misses forecasts –** China stepped up its economic recovery in the third quarter from the coronavirus shock but missed forecasts, pointing to continued challenges for one of the few drivers of global growth this year. GDP grew 4.9% in July-September from a year earlier, the National Bureau of Statistics (NBS) said on Monday, slower than the median 5.2% forecast by analysts in a Reuters poll and following 3.2% growth in the second quarter. The world's second-largest economy grew 0.7% in the first nine months from a year earlier, NBS said. Policymakers globally are pinning their hopes on a robust recovery in China to help restart demand as economies struggle with heavy lockdowns and a second wave of coronavirus infections. China has been steadily recovering from decades-low growth seen in the first months of the year caused by the coronavirus shock. But several recent indicators have pointed to a broader upturn in consumption as well in the third quarter. On a QoQ basis, GDP rose 2.7% in July-September, the bureau said, compared with expectations for a 3.2% rise and an 11.5% rise in the previous quarter. Industrial output grew 6.9% in September from a year earlier, after a 5.6% rise in August, while retail sales grew 3.3%, versus a 0.5% rise in August. Fixed-asset investment rose 0.8% in the first nine months from a year earlier, after dipping 0.3% in the first eight months. The government has rolled out a raft of measures this year, including more fiscal spending, tax relief and cuts in lending rates and banks' reserve requirements to revive the coronavirus-hit economy and support employment. (Reuters)
- **China says indicators give good reason to believe in sustained recovery –** Chinese economic indicators are providing a good reason to believe that a sustained recovery is underway, the country's statistics bureau said on Monday, after the world's second-biggest economy further expanded in the third quarter. There's also good reason to be confident about China's full-year economic growth, Liu Aihua, spokeswoman at the National Bureau of Statistics, told a press briefing after the release of third-quarter GDP. While third-quarter GDP growth lagged behind expectations, the month of September saw improvement in all major indicators for the first time this year. (Reuters)

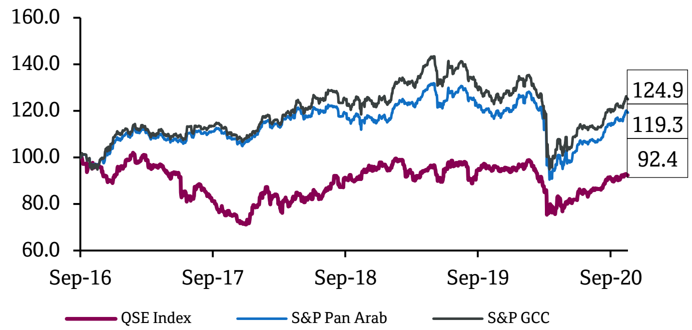
Regional

- **Major GCC economies' payment revenue to hit $24.3bn in 2024 –** GCC's payment revenue pool will expand from $23bn in 2019 to $24.3bn in 2024, a Compound Annual Growth Rate (CAGR) of 1.1%, global business strategy consultant Boston Consulting Group (BCG) said in a recent report Global Payments 2020. However, this level of growth is lower than the 7% that the regional industry recorded between 2014 – 2019. In a slow-recovery scenario, the regional revenue pool would reach $23.1bn by 2024, a CAGR of 0.1%. Under a deeper-impact scenario, the revenue pool is projected to shrink by a CAGR of -0.9%, according to the BCG report that looked at the payments industry's performance in Kuwait, UAE and Saudi Arabia. (Zawya)
- **World Bank sees 5.2% growth shrinkage in MENA, in line with IMF –** The World Bank anticipates that economic growth in the Middle East and North Africa (MENA) will contract more deeply than initially estimated, fueled by the double burden of lower crude prices and the spread of Covid-19. The global lender revised its economic output estimate to a 5.2% shrinkage this year versus an April forecast of a 1.1% contraction, according to its updated regional economic outlook published Sunday. The outlook is in line with that of the IMF, which last week predicted gross domestic product would contract 5% in 2020. The World Bank's revision reflects "an increasingly pessimistic outlook for the regional economy," according to the report. "The region is expected to recover only partially in 2021." The dual shock of lower Brent prices and the coronavirus pandemic this year has taken an especially heavy toll on the region, home to the world's largest crude exporters. MENA's 2020 current-account deficit is forecast at 4.8% of GDP, down from a 1% shortfall in October 2019. The fiscal deficit is seen at 10% of GDP, down from a shortfall of 4.7%. Around the world, nations have had to halt their economies to contain the spread of Covid-19, while injecting stimulus directly and indirectly. (Bloomberg)
- **Saudi investments in US treasury bonds up by $5.4bn monthly in August –** Saudi Arabia has increased its investments in US treasury bonds by 4.3% monthly in August 2020, equivalent to $5.4bn. Saudi investments in US treasury bonds recorded $130bn in August, the highest in five months official data showed. Yearly, the kingdom's investments in US treasury bonds fell by 29.3% or $53.8bn. Globally, Saudi Arabia ranked 16th among holders of US treasury bonds, whilst Japan was in the lead with $1.278tn, followed by China with $1.068tn. The Gulf state was the top Arab country investing in US treasury bonds, followed by Kuwait with $46.4bn and the UAE with $36.6bn. (Zawya)
- **Saudi Aramco and SABIC reassess crude-oil-to-chemicals project –** Saudi Aramco and Saudi Basic Industries have decided to re-evaluate their $20bn crude-oil-to-chemicals project and are now looking at integrating existing facilities instead. The decision comes as oil companies globally re-assess energy projects to conserve cash, with a collapse in demand caused by the coronavirus pandemic threatening to keep crude prices weak for a long time. Aramco and petrochemical producer SABIC in 2017 signed a preliminary deal to build a $20bn complex to convert crude oil to chemicals. But in a statement on Sunday, SABIC said the two companies were now considering the integration of Aramco's existing refineries in Yanbu with a mixed feed steam cracker and downstream olefin derivative units. "SABIC and Saudi Aramco remain committed to continue advancing crude to chemicals technologies through existing development programs with the goal to increase cost efficiency,

competitiveness and value creation opportunities for petrochemicals," the statement said. (Reuters)

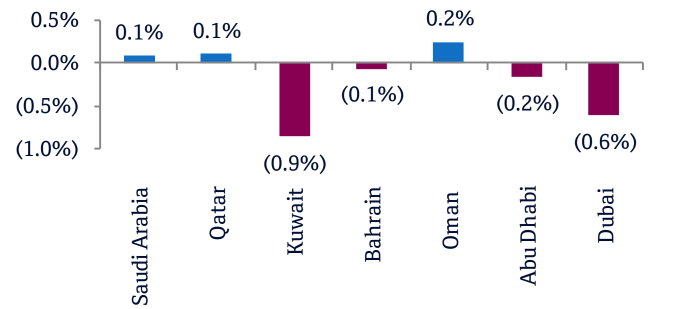
- **STV says led 30% of all venture capital funding in Saudi since 2018 –** Saudi venture capital firm STV said on Sunday it has led 30% of all venture capital funding in Saudi Arabia since 2018, contributing to job creation and digital transformation, even during the COVID-19 pandemic. The company, which has $500mn in capital, in its impact report said its portfolio companies have processed over $3.7bn in transactions and generated over $480mn in revenue. STV said it co-led the last investment round in ride-hailing firm Careem and exited the Dubai-based firm after it was sold to Uber Technologies Co Ltd for $3.1bn. Even in the Middle East and North Africa, STV accounted for 16% of total venture capital fundraising, it said. STV said it has invested in 11 companies across nine industries. Investments include Vezeeta, which has created a dedicated phone line that allows individuals to speak to doctors free of charge about the coronavirus, and truck delivery application Truckker, based in the UAE. (Reuters)
- **UAE banks' loans hit AED1.8tn in August –** The loans granted by the UAE banks rose by 5.5% to AED1.8tn by the end of August 2020, compared to around AED1.7tn in the same period of 2019. The UAE banks have lent the private sector AED1.13tn in August, down 1.6% from AED1.15tn in the corresponding month of the earlier year, according to the latest data by the Central Bank of the UAE (CBUAE). Meanwhile, the loans provided to the public sector jumped by 23% to AED255.9bn in August, when compared to the year-ago period. It is noteworthy to mention that in August, the total foreign currency assets at the CBUAE rose by 1.3% to AED355.2bn, when compared to June 2020. (Zawya)
- **Dubai Financial Market rolls out equity futures platform –** The Dubai Financial Market (DFM) on Sunday introduced equity futures trading as part of its new Futures Trading Platform. The debut platform has so far attracted 16 companies as launch partners and includes futures contracts on single stocks of some of the most liquid equities listed on DFM, including Emaar Properties, Dubai Islamic Bank, Emirates NBD, Emaar Development and Emaar Malls, with tenures of one, two and three months. The platform is expected to increase the range of its contracts, including index-based futures. There are also plans to add REITs trading and expand DFM's platforms, as well as attract new companies for listing in the coming period, according to Chairman of DFM, Essa Kazim. "The launch of this new platform is another milestone in DFM's momentous journey. It underlines our commitment to diversify investment opportunities for DFM's large and diversified base of local and international investors," Kazim said. According to the Futures Industry Association (FIA), the futures trading activity volumes increased by 12% to 19.25bn contracts in 2019. (Zawya)
- **Dubai Electricity is debt-free after $1.5bn bond repayment –** Dubai Electricity and Water Authority has become debt-free after the state-owned utility repaid a $1.5bn bond this month. "New projects worth over $22bn are either ongoing or envisaged for completion in the next five years," Chief Executive Officer, Saeed Al Tayer said. "DEWA is not necessarily counting on new borrowings for that, rather we will use internal resources and leverage public private partnerships." Other borrowings linked to the utility comprise unused credit-lines, according to data compiled by Bloomberg. Joint-venture companies building DEWA power plants in the Persian Gulf emirate have taken on some project-level loans. (Bloomberg)
- **Dubai's Amanat Holdings invests $5mn in US-based edtech BEGIN –** Dubai-based Amanat Holdings has invested $5mn in education technology company called BEGIN. The acquisition of more than 1.4mn shares, made through the wholly owned subsidiary AHE Investments Limited, is Amanat's first-ever venture capital investment, the company specializing in healthcare and education said. BEGIN is a US-based firm whose investors include LEGO Ventures, Sesame Workshop, Gymboree Play & Music, and Interlock Partners, among others. It specializes in early childhood education through a platform aimed at children between two and eight years of age. According to CEO of Amanat, Homad Hamade the venture represents a major milestone for the company, given the "influential impact of disruptive technologies" on the sectors that they invest in. Hamade said they are looking at opportunities that are changing the education and healthcare landscapes. "We believe this is an ideal time to invest in education and healthcare technology, to evolve our current portfolio as well as position Amanat as a strategic regional partner among global players in this space," said Hamade. "This transaction taps into our corporate ventures investment allocation to develop and establish partnerships with leading international providers whose business models are transferrable to the region," he added. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,899.29	(0.5)	(1.6)	25.2
Silver/Ounce	24.16	(0.6)	(4.0)	35.3
Crude Oil (Brent)/Barrel (FM Future)	42.93	(0.5)	0.2	(35.0)
Crude Oil (WTI)/Barrel (FM Future)	40.88	(0.2)	0.7	(33.0)
Natural Gas (Henry Hub)/MMBtu	2.16	(0.9)	45.0	3.3
LPG Propane (Arab Gulf)/Ton	53.50	(1.2)	1.9	29.7
LPG Butane (Arab Gulf)/Ton	62.63	(0.8)	2.3	(5.6)
Euro	1.17	0.1	(0.9)	4.5
Yen	105.40	(0.0)	(0.2)	(3.0)
GBP	1.29	0.0	(0.9)	(2.6)
CHF	1.09	(0.1)	(0.5)	5.8
AUD	0.71	(0.2)	(2.2)	0.9
USD Index	93.68	(0.2)	0.7	(2.8)
RUB	77.91	(0.2)	1.5	25.7
BRL	0.18	(0.6)	(2.0)	(28.8)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,440.14	0.2	(0.3)	3.5
DJ Industrial	28,606.31	0.4	0.1	0.2
S&P 500	3,483.81	0.0	0.2	7.8
NASDAQ 100	11,671.56	(0.4)	0.8	30.1
STOXX 600	367.48	1.4	(1.6)	(7.8)
DAX	12,908.99	1.8	(2.0)	1.8
FTSE 100	5,919.58	1.5	(2.3)	(23.5)
CAC 40	4,935.86	2.2	(1.1)	(13.8)
Nikkei	23,410.63	(0.4)	(0.6)	2.2
MSCI EM	1,124.08	0.3	0.1	0.8
SHANGHAI SE Composite	3,336.36	0.5	1.9	13.7
HANG SENG	24,386.79	0.9	1.1	(13.1)
BSE SENSEX	39,982.98	0.6	(1.9)	(6.0)
Bovespa	98,309.10	(1.4)	(0.9)	(39.4)
RTS	1,132.80	0.0	(2.7)	(26.9)

Source: Bloomberg (*$ adjusted returns)

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