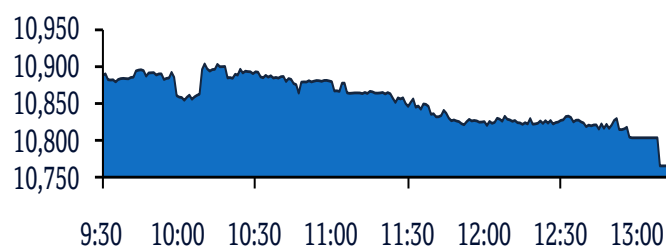


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.9% to close at 10,769.0. Losses were led by the Industrials and Insurance indices, falling 2.2% and 1.1%, respectively. Top losers were QLM Life & Medical Insurance Company and Qatar Industrial Manufacturing Company, falling 4.4% and 3.9%, respectively. Among the top gainers, Qatari German Company for Medical Devices gained 10.0%, while Ezdan Holding Group was up 6.8%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.3% to close at 8,901.9. Losses were led by the Telecom. and Food & Staples Retailing indices, falling 2.1% and 1.0%, respectively. Allied Cooperative Insurance declined 3.1%, while Saudi Telecom was down 2.6%.

Dubai: The DFM Index gained 1.0% to close at 2,753.4. The Telecommunication index rose 14.6%, while the Real Estate & Construction index gained 0.8%. Emirates Integrated Telecomm rose 14.6%, while Al Salam Sudan was up 2.4%.

Abu Dhabi: The ADX General Index gained 3.1% to close at 5,661.9. The Telecommunication index rose 14.9%, while the Services index gained 1.1%. Emirates Telecom Group Co rose 14.9%, while Ras Al Khaima Poultry was up 11.4%.

Kuwait: The Kuwait All Share Index gained 0.2% to close at 5,673.2. The Technology index rose 2.6%, while the Insurance index gained 1.9%. Metal & Recycling Company rose 7.5%, while Al-Deera Holding Company was up 7.4%.

Oman: The MSM 30 Index gained 1.0% to close at 3,679.7. Gains were led by the Industrial and Services indices, rising 1.8% and 0.9%, respectively. Dhofar Cattle Feed Company rose 7.8%, while Al Jazeera Steel Products Company was up 7.4%.

Bahrain: The BHB Index fell 0.2% to close at 1,451.4. The Commercial Banks index declined 0.3%, while the Investment index fell 0.2%. Ahli United Bank and GFH Financial Group were down 0.6% each.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	2.86	10.0	20,693.1	27.6
Ezdan Holding Group	1.78	6.8	51,697.5	0.1
United Development Company	1.69	2.5	5,774.2	2.4
INMA Holding	5.52	2.2	9,409.8	7.9
Salam International Inv. Ltd.	0.65	1.1	26,328.6	(0.6)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	1.78	6.8	51,697.5	0.1
Salam International Inv. Ltd.	0.65	1.1	26,328.6	(0.6)
Qatari German Co for Med. Devices	2.86	10.0	20,693.1	27.6
Investment Holding Group	0.57	0.9	19,002.1	(5.5)
Qatar First Bank	1.75	0.1	10,958.2	1.5

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,769.02	(0.9)	(1.3)	3.2	3.2	152.84	170,433.3	18.3	1.6	3.7
Dubai	2,753.44	1.0	1.9	10.5	10.5	162.97	99,510.7	13.1	1.0	3.5
Abu Dhabi	5,661.85	3.1	7.5	12.2	12.2	232.20	216,594.3	22.5	1.6	4.3
Saudi Arabia	8,901.87	(0.3)	0.0	2.4	2.4	1,971.15	2,440,102.0	35.6	2.1	2.4
Kuwait	5,673.17	0.2	0.3	2.3	2.3	173.61	106,512.0	36.2	1.4	3.5
Oman	3,679.68	1.0	1.1	0.6	0.6	7.58	16,628.7	12.3	0.7	6.8
Bahrain	1,451.42	(0.2)	(0.5)	(2.6)	(2.6)	3.75	22,130.1	14.1	1.0	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)

Market Indicators	19 Jan 21	18 Jan 21	%Chg.
Value Traded (QR mn)	559.6	581.7	(3.8)
Exch. Market Cap. (QR mn)	624,526.4	626,538.8	(0.3)
Volume (mn)	226.1	166.2	36.1
Number of Transactions	13,745	9,127	50.6
Companies Traded	46	47	(2.1)
Market Breadth	19:24	22:22	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	20,703.09	(0.9)	(1.3)	3.2	18.3
All Share Index	3,302.75	(0.7)	(1.2)	3.2	19.0
Banks	4,350.61	(0.5)	(1.1)	2.4	15.3
Industrials	3,224.60	(2.2)	(2.2)	4.1	28.8
Transportation	3,563.98	(0.0)	(1.0)	8.1	16.3
Real Estate	1,955.90	1.1	1.5	1.4	17.3
Insurance	2,493.01	(1.1)	(2.5)	4.1	N.A.
Telecoms	1,111.42	(0.6)	(1.0)	10.0	16.6
Consumer	8,230.63	0.0	(0.3)	1.1	29.3
Al Rayan Islamic Index	4,348.93	(0.8)	(1.1)	1.9	20.0

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Emirates Telecom. Group	Abu Dhabi	20.80	14.9	13,602.4	23.1
Ezdan Holding Group	Qatar	1.78	6.8	51,697.5	0.1
Ooredoo Oman	Oman	0.41	5.7	2,352.7	4.1
Abu Dhabi Comm. Bank	Abu Dhabi	6.66	3.3	19,985.7	7.4
Bank Nizwa	Oman	0.10	2.1	338.9	1.0

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Industries Qatar	Qatar	11.70	(3.7)	1,042.1	7.6
Saudi Telecom Co.	Saudi Arabia	113.20	(2.6)	737.7	6.8
Advanced Petrochem. Co.	Saudi Arabia	65.10	(2.5)	186.3	(2.8)
Saudi Industrial Inv.	Saudi Arabia	26.65	(2.4)	537.4	(2.7)
Barwa Real Estate Co.	Qatar	3.44	(1.7)	3,988.4	1.1

Source: Bloomberg (# in Local Currency) (** GCC Top gainers/losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
QLM Life & Medical Insurance Co.	3.60	(4.4)	1,983.9	14.3
Qatar Industrial Manufacturing	3.10	(3.9)	63.5	(3.3)
Industries Qatar	11.70	(3.7)	1,042.1	7.6
Qatar International Islamic Bank	9.22	(1.9)	977.7	1.9
Qatar Insurance Company	2.48	(1.8)	2,820.8	5.2

QSE Top Value Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	1.78	6.8	90,520.4	0.1
Qatari German Co for Med. Dev.	2.86	10.0	58,221.9	27.6
INMA Holding	5.52	2.2	52,640.1	7.9
QNB Group	18.50	(0.3)	44,109.4	3.8
Ooredoo	8.33	(0.5)	24,905.4	10.8

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index declined 0.9% to close at 10,769.0. The Industrials and Insurance indices led the losses. The index fell on the back of selling pressure from Qatari and GCC shareholders despite buying support from Arab and Foreigners shareholders.
- QLM Life & Medical Insurance Company and Qatar Industrial Manufacturing Company were the top losers, falling 4.4% and 3.9%, respectively. Among the top gainers, Qatari German Company for Medical Devices gained 10.0%, while Ezdan Holding Group was up 6.8%.
- Volume of shares traded on Tuesday rose by 36.1% to 226.1mn from 166.2mn on Monday. Further, as compared to the 30-day moving average of 183.4mn, volume for the day was 23.3% higher. Ezdan Holding Group and Salam International Investment Limited were the most active stocks, contributing 22.9% and 11.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	48.01%	54.20%	(34,646,421.9)
Qatari Institutions	15.08%	14.64%	2,478,546.9
Qatari	63.10%	68.85%	(32,167,875.0)
GCC Individuals	0.50%	0.60%	(556,101.3)
GCC Institutions	1.32%	1.60%	(1,573,716.7)
GCC	1.81%	2.19%	(2,129,818.0)
Arab Individuals	13.17%	12.74%	2,359,284.3
Arab Institutions	0.03%	-	146,200.0
Arab	13.19%	12.74%	2,505,484.3
Foreigners Individuals	3.35%	3.07%	1,523,036.6
Foreigners Institutions	18.55%	13.14%	30,269,172.1
Foreigners	21.90%	16.22%	31,792,208.7

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2020	% Change YoY	Operating Profit (mn) 4Q2020	% Change YoY	Net Profit (mn) 4Q2020	% Change YoY
Aldrees Petroleum and Transport Services Co.*	Saudi Arabia	SR	4,974.1	-12.4%	188.3	-40.0%	121.1	-58.5%

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/19	Germany	German Federal Statistical Office	CPI MoM	Dec	0.5%	0.5%	0.5%
01/19	Germany	German Federal Statistical Office	CPI YoY	Dec	-0.3%	-0.3%	-0.3%

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
QFLS	Qatar Fuel Company	21-Jan-21	1	Due
IHGS	INMA Holding Group	25-Jan-21	5	Due
GWCS	Gulf Warehousing Company	26-Jan-21	6	Due
QIIK	Qatar International Islamic Bank	26-Jan-21	6	Due
QNCD	Qatar National Cement Company	27-Jan-21	7	Due
CBQK	The Commercial Bank	27-Jan-21	7	Due
KCBK	Al Khalij Commercial Bank	27-Jan-21	7	Due
QIGD	Qatari Investors Group	1-Feb-21	12	Due
VFQS	Vodafone Qatar	2-Feb-21	13	Due
UDCD	United Development Company	3-Feb-21	14	Due
QAMC	Qatar Aluminum Manufacturing Company	4-Feb-21	15	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	7-Feb-21	18	Due
DHBK	Doha Bank	8-Feb-21	19	Due
QEWS	Qatar Electricity & Water Company	14-Feb-21	25	Due
ORDS	Ooredoo	14-Feb-21	25	Due
QIMD	Qatar Industrial Manufacturing Company	14-Feb-21	25	Due

Source: QSE

Qatar

- **QNB Group mandates several banks to arrange a USD benchmark offering under its EMTN Program** – QNB Group, rated A by S&P, A+ by Fitch and Aa3 by Moody's, announced that several banks have been mandated to arrange a benchmark-sized USD-denominated Regulation S Registered bond on behalf of QNB Group. A USD benchmark Reg S offerings under its Euro Medium Term Note (EMTN) Program may follow subject to market conditions. (QSE)
- **MARK's net profit declines 2.2% YoY and 11.3% QoQ in 4Q2020, below our estimate** – Masraf Al Rayan's (MARK) net profit declined 2.2% YoY (-11.3% QoQ) to QR513.1mn in 4Q2020, below our estimate of QR553.5mn (variation of -7.3%). In FY2020, MARK recorded net profit of QR2,175.4mn as compared to QR2,178.4mn in FY2019. EPS remained flat YoY at QR0.29 in FY2020. MARK's Board of Directors met yesterday and proposed to distribute a cash dividend of QR0.170 per share, equivalent to 17% of the paid-up capital. The proposed dividend is subject to approval by the Ordinary General Assembly, to be held on March 2, 2021, and Qatar Central Bank (QCB). Group CEO Adel Mustafawi said the results are good, and considered the achievement as a great challenge, especially since Masraf Al Rayan, in its commitment to the strategy approved by the board of directors, has maintained its credit rating. It also has maintained its position amongst banks in Qatar and maintained its financial indicators ratios, achieving the lead in terms of operational efficiency and a low ratio of bad debts, he said. According to Mustafawi, total assets amounted to QR121.1bn compared to QR106.3bn as of December 31, 2019, or a growth of 13.8%. Financing activities amounted to QR85.98bn compared to QR74.83bn as of December 31, 2019, a growth of 14.9%. He said investments totaled QR21.12bn as of December 31, 2020, while customer deposits increased by 5.0% to reach QR68.91bn compared to QR65.61bn as of December 31, 2019. Total shareholders' equity (before distribution) reached QR14.36bn compared to QR13.91bn at the end of 2019, with an increase of 3.2%. On financial indicators, return on average assets maintained an advanced position in the financial market, reaching 1.91%, while return on the average shareholders' equity of the bank reached 15.38%. Book value per share before distribution is QR1.92 compared to QR1.86 as of December 31, 2019. The capital adequacy ratio reached 19.70%, according to Basel III standards, compared to 20.27% by the end of 2019. Operating efficiency ratio (cost to income ratio) has reached 21.58% to remain one of the best ratios in the region. The non-performing financing ratio (NPF) has reached 1.13%, which reflects very strong and prudent credit and risk management policies and procedures. HE the Minister of Commerce and Industry Ali bin Ahmed Al-Kuwari, who is also Masraf Al Rayan Chairman and Managing Director, said, "Last year was an exceptional one by all standards; and we are happy to have successfully passed that stage. In 2020, we witnessed unprecedented events – the coronavirus pandemic that hindered economic activity and the movement of people, thus affecting global markets; the decline in energy prices to record numbers as a result of low demand; caution in the markets and decrease in liquidity, as well as the negative results of global growth; the high cost of borrowing, and the calculation of higher rates of allocations as a precautionary measure – all contributed to considering 2020 an exceptional one. However, our insistence was great at Masraf Al Rayan to face these difficulties and come up with the best results, relying on the strength and durability of the Qatari economy, and government measures that were supportive of all economic activities, so we hope that we have succeeded in that." (QNB FS Research, QSE, Gulf-Times.com)
- **QGTS to hold board of directors meeting on February 07** – Qatar Gas Transport Company Ltd. (QGTS, Nakilat) has announced that its board of directors will be holding a meeting on February 07, 2021 to discuss the financial statements for the period ending December 31, 2020. (QSE)
- **QGTS to hold its investors relation conference call on February 08** – Qatar Gas Transport Company Ltd. (QGTS, Nakilat) announced that the conference call with the Investors to discuss the financial results for the annual 2020 will be held on February 08, 2021 at 01:30 pm, Doha Time. (QSE)
- **ABQK to hold its investors relation conference call on January 21** – Ahli Bank (ABQK) announced that the conference call with the Investors to discuss the financial results for the annual 2020 will be held on January 21, 2021 at 12:00 pm, Doha Time. (QSE)
- **KCBK to hold its investors relation conference call on January 31** – Al Khalij Commercial Bank (KCBK) announced that the conference call with the Investors to discuss the financial results for the Annual 2020 will be held on January 31, 2021 at 01:30 pm, Doha Time. (QSE)
- **ORDS to hold its investors relation conference call on February 15** – Ooredoo (ORDS) announced that the conference call with the Investors to discuss the financial results for the annual 2020 will be held on February 15, 2021 at 02:00 pm, Doha Time. (QSE)
- **ORDS announces date to pay interest to bondholders** – Ooredoo (ORDS) announced that Ooredoo International Finance Limited (OIFL), its wholly-owned subsidiary, pursuant to the Terms and Conditions of the Notes and the Final Terms, will pay its Global Medium Term Note (GMTN) holders' interest payment on February 22, 2021. (QSE)
- **Qatar's IPI decreases by 9.8% in November 2020** – Qatar's Industrial Production Index (IPI) for November 2020 stood at 91.2 points, showing a decrease of 9.8% compared to the previous month (October 2020). When compared on YoY basis, the IPI index has decreased by 10.1% compared to the corresponding month of 2019, data released by the Planning and Statistics Authority showed. The index of Mining sector showed a decrease by 11.8% compared to the previous month (October 2020), as a result of the decrease in the quantities of "crude oil petroleum and natural gas" by 11.8%, while "Other mining and quarrying" showed an increase by 5.6%. When compared to the corresponding month of the previous year (November 2019), the IPI of Mining decreased by 11.5%. The index of Manufacturing sector showed an increase of 1.0% recorded in November 2020 compared to the previous month (October 2020). On the other

hand, in terms of annual change, comparing to November 2019, a decrease of 3.7% was recorded. The index of Electricity showed a decrease of 23.6% in the production of “Electricity” group between November 2020 and the previous month (October 2020), while the annual decrease (comparing with November 2019), was 0.7%. The index of the Water sector showed a decrease of 9.8% in the production of “Water” group between November 2020 and the previous month (October 2020). Comparing with corresponding month (November 2019), a decrease of 3.9% was recorded. (Peninsula Qatar)

International

- **Foreign holdings of US Treasuries slide for 4th month in November** – Foreign holdings of US Treasuries declined for a fourth straight month in November, with Japan reducing its load of US debt for four consecutive months as well, data from the US Treasury department showed. Foreign investors held \$7.053tn in US government debt in November, down from \$7.068tn the previous month. Japan’s holdings, the largest non-US holder of Treasuries, slipped to \$1.260tn in November from \$1.269tn in October. Ben Jeffery, rates strategist, at BMO in New York, said going forward it would be interesting to monitor Japanese holdings of Treasuries given the weakness of the dollar versus the yen. “The yield available to Japanese investors when they hedge Treasuries back to yen has become increasingly attractive because of the dollar’s weakness,” he said, which could well prompt them to buy US debt again. The dollar fell nearly 1% against the yen in November, and for the whole of 2020, the greenback dropped 5%. For Japanese investors, buying US 10-year debt and hedging back to yen using three-month currency forwards earned a positive return last year, after going negative in 2019 and for nearly three years before that due to higher US interest rates. Chinese holdings of Treasuries, meanwhile, rose to \$1.063tn in November from \$1.054tn in October, the first increase in six months. China remains the second largest non-US owner of US debt. At the end of November, US benchmark 10-year Treasury yields was at 0.842%, little changed from 0.848% at the beginning of the month. (Reuters)
- **Treasury nominee Yellen says markets should determine value of dollar** – Janet Yellen, US President-elect Joe Biden’s nominee for Treasury Secretary, said the value of the dollar should be determined by markets, and the targeting of exchange rates for commercial advantage by other countries was “unacceptable.” Yellen told Senate lawmakers at her confirmation hearing on Tuesday that the US should oppose attempts by other countries to artificially manipulate currency values to gain trade advantage. “I believe in market-determined exchange rates. The value of the U.S. dollar and other currencies should be determined by markets,” said Yellen, former chair of the Federal Reserve. “The US does not seek a weaker currency to gain competitive advantage and we should oppose attempts by other countries to do so,” she told members of the Senate Finance Committee. “The intentional targeting of exchange rates to gain commercial advantage is unacceptable.” If confirmed, Yellen said she would work to implement Biden’s promise to “oppose any and all the attempts by foreign countries to artificially manipulate currency values to gain an unfair advantage in trade.” Previous Treasury secretaries have also affirmed their commitment to a market-determined exchange rate, and some in

recent years have said that a strong dollar is in U.S. interests. Yellen did not endorse a strong dollar on Tuesday. Yellen also gave no examples of countries that she believed were manipulating their currencies. (Reuters)

- **Britain’s largest fishing port sees 18% fall in catch after Brexit** – The British fishing port of Peterhead has seen an 18% drop in the volume of fish landed since the start of the year, reflecting difficulties transporting seafood to mainland Europe since new post-Brexit customs checks started on January 01. Many fishermen have been unable to export to the EU since catch certificates, health checks and customs declarations were introduced at the start of this year, delaying their deliveries and prompting European buyers to reject them. British fishermen protested outside parliament on Monday, and some British fishing boats have been landing their catch at ports in Denmark to avoid delays. The volume of fish landed at Peterhead in northeast Scotland, Britain’s biggest fishing port, has fallen to an average of 4,280 boxes a day so far this month, according to a Reuters calculation from daily catch data. This is down from 5,225 boxes a day in the first three weeks of December and 4,765 boxes a year ago. A box normally holds 30-45 kg of fish (66-99 lb), depending on the species. Prime Minister Boris Johnson has described the difficulties experienced by the fishing industry as “teething problems” and promised it an extra 23mn Pounds (\$31mn) of public money. The fishing industry was meant to be one of the main beneficiaries of Brexit, with many in the sector strongly in favor of cutting ties with the European Union due to hopes of regaining exclusive rights over fish in British waters. (Reuters)
- **ACEA: European new car sales drop by 3.7% YoY in December** – European car registrations dropped in December, declining for the third month in row, industry data showed on Tuesday, as measures to restrict a second coronavirus wave hit sales in most of the continent’s largest markets. In December, new car registrations dropped by 3.7% YoY to 1.215mn 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. Sales in Europe’s five largest markets posted different results. Registrations in the UK, France and Italy fell by 10.9%, 11.8% and 14.9% respectively, while Germany recorded a rise of 9.9% and sales in Spain remained unchanged YoY. Sales at Volkswagen and PSA rose by 8.2% and 1.7% respectively, while Renault reported a drop of 15.6%. Luxury automakers also posted losses in December with BMW’s sales falling 9.5% and rival Daimler reporting a 14.8% decline. ACEA said 2020 saw the biggest yearly drop in car demand since records began, with new car registrations falling by 24.3% compared to 2019. Spain posted the biggest drops among Europe’s largest markets with sales falling 32.3% and while Germany reported a narrower fall of 19.1%. (Reuters)
- **ZEW: German investor morale rises on upbeat export expectations** – Investor sentiment in Germany rose in January on improved expectations for exports, buoying the outlook for Europe’s largest economy, the ZEW economic research institute said. The survey of investors’ economic sentiment increased to 61.8 from 55.0 points the previous month, ZEW said. A Reuters poll had pointed to a rise to 60.0. “Despite the uncertainty about

the further course of the lockdown, the economic outlook for the German economy has improved slightly,” ZEW President Achim Wambach said in a statement. “The results of the ZEW Financial Market Survey in January show that export expectations in particular have risen significantly,” he added. A separate gauge of current conditions edged up to -66.4 from -66.5 points the previous month. That compared with a consensus forecast of -68.5 points. (Reuters)

- **Spain to extend COVID furlough scheme until May, PM says** – Spain will extend its scheme supporting hundreds of thousands of workers furloughed due to COVID-19 until May, Prime Minister Pedro Sanchez said on Tuesday after the government, unions and business groups reached an agreement on the issue. The ERTE furlough scheme, which has benefitted millions of workers since the beginning of the pandemic, had been due to expire on January 31 under a previous such agreement. As most of business restrictions were lifted during the past months following a nationwide lockdown, many furloughed workers returned to work though 755,000 were still on the state-supported furlough scheme in December. (Reuters)
- **Japan business lobby says blanket pay rises 'unrealistic' amid pandemic pain** – Japan’s biggest business lobby shrugged off on Tuesday calls for wage hikes as it braced for key spring salary negotiations with labor unions, calling blanket pay rises “unrealistic” as companies are hit by fallout from the COVID-19 pandemic, officials said. Keidanren, unveiling a guide to the upcoming wage talks which will be wrapped up in mid-March, stressed that the priority was job protection rather than wage hikes, given the current economic and health crisis. The business lobby’s cautious stance signaled tough negotiations with labor unions led by Rengo, which has called for uniform base pay hikes around 2%, after last year when the management offered the lowest wage increases in seven years. Rengo officials could not be immediately reached for comment. Until last year, major firms had raised wages more than 2% each spring for six straight years as the government pressured businesses to boost pay to defeat deflation and stagnation that has dogged Japan for two decades. Bellwethers such as Toyota Motor Corp have set the tone of the annual spring labor talks, with others going along with the crowd. In recent years, however, Japanese firms have begun to take a more varied approach on remuneration, with more eschewing blanket pay hikes and shifting to merit-based wages rather than seniority-oriented pay in a bid to lure young, skilled workers. (Reuters)
- **China seen keeping lending benchmark unchanged for 9th month in January** – China’s benchmark lending rate is likely to remain unchanged at the first monthly fixing of the year on Wednesday, steady for the ninth straight month, as the economy recovers from the coronavirus shock. Twenty-six traders and analysts, or 87% of all 30 participants, in a snap Reuters poll conducted this week predicted no change in either the one-year Loan Prime Rate (LPR) or the five-year tenor. The other four respondents expected a rise in the LPR this month, with one forecasting a marginal 5 basis point rise to both rates. The one-year LPR was last at 3.85% after 30 basis points of rate cuts last year, and the five-year rate stood at 4.65% after 15 bps of cuts in 2020. China’s economy picked up speed in the fourth quarter, data showed on Monday, with growth beating

expectations and is poised to expand further this year even as the global pandemic rages unabated. (Reuters)

- **China to support economic recovery, avoid 'policy cliff'** – China will provide necessary policy support for the economic recovery this year, to avoid a “policy cliff”, as small firms remain hard-pressed amid the pandemic, a senior official at the state planner said on Tuesday. China’s economy picked up speed in the fourth quarter, with growth beating expectations as it ended a rough coronavirus-stricken 2020 in remarkably good shape and remained poised to expand further this year even as the global pandemic rages unabated. “We will have a good grip over the pace, intensity and effectiveness of macro policies to make sure the economic recovery remains stable and avoid a policy cliff,” Yan Pengcheng, director of General Office at the National Development and Reform Commission, told reporters in an online briefing. “Considering some micro market entities will still need to undergo a period of recovery - some small firms just started to ‘get well from a serious illness’, while others have yet to regain their stamina - macro policies will continue to maintain necessary support (for them).” Data out on Tuesday showed the services sector, which has been lagging the industrial sector, picked up momentum in the fourth quarter, with output growth in the accommodation and catering industry turning positive for the first time year-on-year since the pandemic struck. “The GDP breakdown confirms that China’s rebound has become less dependent on investment-led stimulus in recent months, thanks to a broad-based recovery in the services sector,” said Julian Evans-Pritchard, senior China economist at Capital Economics. Chinese leaders at a key agenda-setting meeting last month pledged to maintain “necessary” policy support for the economy this year, avoiding a sudden policy shift, pointing to smaller economic stimulus in 2021. (Reuters)

Regional

- **OPEC 'cautiously optimistic' oil market will recover in 2021** – OPEC’s Secretary General, Mohammad Barkindo said on Tuesday he was cautiously optimistic the oil market would recover this year from the slump in demand brought on by the coronavirus pandemic. Monthly meetings of the OPEC and allies led by Russia - a group known as OPEC+ - are there to stop an imbalance from re-emerging, he told a virtual forum. “We all agree that the recovery is fragile, there are still more uncertainties, but we are cautiously optimistic that the recovery will materialize this year,” Barkindo said at the Atlantic Council Global Energy Forum. Oil prices have rallied to an 11-month high this month, helped by a January 5 decision by most members of OPEC+ to hold production steady in February and a pledge by Saudi Arabia to voluntarily cut output. (Reuters)
- **Saudi's Aldrees Petroleum eyes 25% capital hike** – Saudi fuel retailer Aldrees Petroleum and Transport Services Co. (Aldrees) is planning to increase its capital by 25%. In a bourse filing on Tuesday, the firm said its board has recommended to increase the capital from SR600mn to SR750mn through the issuance of bonus shares. The company plans to grant one bonus share for every four shares owned. The capital increase will be used to fund the company’s business and future expansions, the firm said. (Zawya)
- **Riyad Bank announces intention to issue Tier 2 Sukuk** – Riyad Bank has announced its intention to establish a domestic SAR-

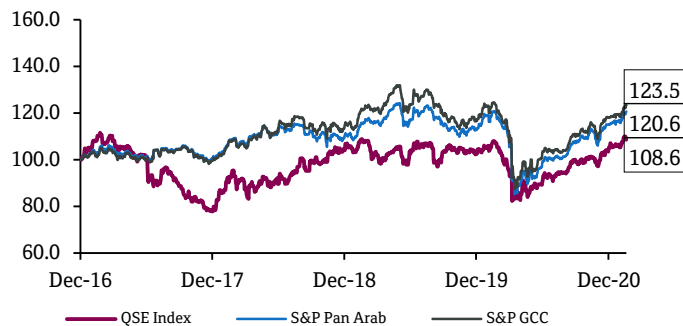
denominated Sukuk issuance program of up to SR10bn for the purpose of issuing and offering senior and/or subordinated Sukuk including the issuance of Tier 2 capital-eligible Sukuk in one or more tranches or through one issuance or a series of issuances and its intention to issue Tier 2 Sukuk under the Sukuk Program by way of private placement in the Kingdom of Saudi Arabia. The Bank has mandated Riyadh Capital as the Sole Arranger and Dealer for the proposed establishment of the Sukuk program and the potential offer. The purpose of the Potential Offer is to strengthen the capital base of the Bank, thus supporting the Bank's financial and strategic needs. (Tadawul)

- **UAE's Energy Minister sees start of oil market recovery in 2021** – UAE's Energy Minister, Suhail al-Mazrouei said on Tuesday he saw the oil market recovering in 2021 and possibly rebalancing by early 2022. The Minister of the Gulf OPEC producer also said he sees good oil demand growth in China and India as more countries begin their vaccination campaigns for the new coronavirus. "This year the way we see it is a year of recovery, whether it's going to be the end of the year where we are supposed to reach the balance or the beginning of 2022," he told the Atlantic Council virtual energy forum. (Zawya)
- **UAE says oil demand in China and India is very strong** – Demand for oil in China and India is "very strong" and will help bolster oil prices in the coming months, Energy Minister of the UAE, Suhail Al Mazrouei said at a conference on Tuesday. Global demand can rise above 100mn bpd in the long-term, he said. It is not contradictory for the UAE to stay in OPEC+ and boost its production capacity to 5mn bpd. (Bloomberg)
- **Etisalat and Du may raise limits on foreign ownership** – The two main phone operators in the UAE said they may raise limits on foreign ownership, joining others in the region seeking to attract more overseas investment. A higher cap on foreign ownership will allow index providers such as MSCI Inc. and FTSE Russell to consider an increase of the stock's weight in emerging-market equities benchmarks, triggering passive inflows. Etisalat could lure total inflows of about \$634mn from a higher weight in the MSCI and FTSE indexes, if the limit is increased to 40%, according to estimates by Associate Director of indices macroeconomics and strategy at Arqaam Capital, Noaman Khalid. For Du, inflows could take longer to materialize due to liquidity issues, he said. The boards of both companies will meet on January 20, according to regulatory filings. While the companies did not give a reason for the move, the UAE has accelerated efforts to attract investment into an economy reeling from the coronavirus and a decline in oil prices. Etisalat, the UAE's biggest phone operator, first opened up to foreign ownership in 2015 with a 20% limit. Foreigners currently own 4.8% of Etisalat's shares and only 0.48% of Du, according to information on Dubai and Abu Dhabi stock exchange websites. The UAE said in 2019 it will allow foreigners to own 100% of businesses across industries. Companies such as Abu Dhabi National Energy Co. (ADNOC), First Abu Dhabi Bank (FAB) and Emirates NBD have raised limits in the recent past. (Bloomberg)
- **ADNOC seeks partnerships with US firms in unconventional oil in UAE** – ADNOC Chief Executive, Sultan al-Jaber said on Tuesday that ADNOC is seeking partnerships with US companies in unconventional oil in the UAE. (Reuters)

- **AGTHIA eyes 80% stake in owner of Jordanian frozen food firm** – UAE food conglomerate AGTHIA Group is set to acquire 80% stake in the principal operator of a Jordanian frozen food company. In a bourse filing on Tuesday, the firm said its board has agreed to buy 60% in Oriongreen Limited from Nutrivation Holding Limited, which is owned by Abu Dhabi Developmental Holding Company (ADQ). The board also gave the green light to acquire a further 20% in Oriongreen from another firm, Ideal Holding Limited. Oriongreen owns 100% of Amman-based Nabil Foods Group, a Jordanian incorporated company that was established in 1945. It manufactures frozen and chilled processed meat products. AGTHIA told the Abu Dhabi Securities Exchange that it will issue to Nutrivation some mandatory convertible bonds, which will be convertible into shares in the company at AED5.5 per new ordinary share. A further 20% of Oriongreen will be acquired for cash from Ideal Holding Limited, the statement continued. The acquisition is subject to approvals from the authorities, including shareholders. Earlier this month, AGTHIA announced the completion of a merger with Al Foah, the world's largest date processing and packaging company, also based in Abu Dhabi. As a result of the "strategic combination", Al Foah owners General Holding Corporation (Senaat) increased its share capital percentage in AGTHIA from 51% to 59.17%. (Zawya)
- **Kuwait sells KD240mn 91-day bills; bid-cover at 11.54x** – Kuwait sold KD240mn of 91-day bills due on April 20, 2021. Investors offered to buy 11.54 times the amount of securities sold. The bills have a yield of 1.125% and settled on January 19, 2021. (Bloomberg)
- **Kuwait's IFA Holdings to sell 17.4mn treasury shares** – Kuwait's International Financial Advisors Holding Company (IFA) is set to put millions of treasury shares up for sale. In a statement to the Dubai Financial Market (DFM), where the company's shares trade, IFA received the approval to sell 17,452,667 shares. Last week, IFA said it had been subject to a \$29mn precautionary attachment seizure by a local bank due to a dispute between the two parties. IFA clarified that the seizure was a precautionary attachment only, not an executive attachment. "We point out that the company has succeeded during the last period in reaching a settlement and scheduling what represents 86% of its total debts related to bank loans." The company achieved a profit of \$98.9mn from these settlements, the statement continued, except for a single bank debt which has not been reached or scheduled. (Zawya)
- **Bahrain hires banks for multi-tranche dollar bonds** – Bahrain has hired a group of banks to arrange a multi-tranche US dollar-denominated bond sale, as Gulf borrowers line up to tap the market following the end-of-year lull. Bahrain hired Bank ABC, Citi, Gulf International Bank, HSBC, JPMorgan, National Bank of Bahrain and Standard Chartered to arrange investor calls starting on Tuesday, a document from one of the banks showed. An issuance comprising benchmark tranches of seven years, 12 years and/or 30 years will follow, subject to market conditions, the document said. Benchmark generally means at least \$500mn. Bahrain is rated B+ (Stable) by S&P and B+ (Stable) by Fitch. (Reuters, Bloomberg)
- **Bahrain sells BHD100mn 364-day bills; bid-cover at 3.02x** – Bahrain sold BHD100mn of 364-day bills due on January 20,

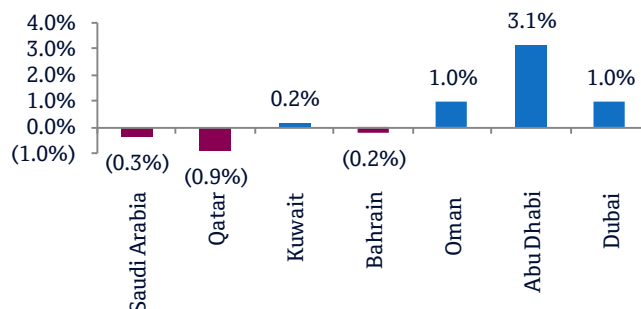
2022. Investors offered to buy 3.02 times the amount of securities sold. The bills were sold at a price of 97.334, have a yield of 2.71% and will settle on January 21, 2021. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,840.28	(0.1)	0.6	(3.1)
Silver/Ounce	25.22	(0.5)	1.8	(4.5)
Crude Oil (Brent)/Barrel (FM Future)	55.90	2.1	1.5	7.9
Crude Oil (WTI)/Barrel (FM Future)	52.98	1.2	1.2	9.2
Natural Gas (Henry Hub)/MMBtu	2.80	0.0	0.0	17.5
LPG Propane (Arab Gulf)/Ton	89.00	(6.3)	(6.3)	18.3
LPG Butane (Arab Gulf)/Ton	91.50	(2.0)	(2.0)	22.0
Euro	1.21	0.4	0.4	(0.7)
Yen	103.90	0.2	0.0	0.6
GBP	1.36	0.3	0.3	(0.3)
CHF	1.13	0.2	0.3	(0.4)
AUD	0.77	0.2	(0.1)	0.0
USD Index	90.50	(0.3)	(0.3)	0.6
RUB	73.68	(0.5)	0.1	(1.0)
BRL	0.19	(1.2)	(1.2)	(3.1)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,732.48	0.7	0.7	1.6
DJ Industrial	30,930.52	0.4	0.4	1.1
S&P 500	3,798.91	0.8	0.8	1.1
NASDAQ 100	13,197.18	1.5	1.5	2.4
STOXX 600	407.92	0.2	0.2	1.4
DAX	13,815.06	0.1	0.4	(0.7)
FTSE 100	6,712.95	0.2	(0.2)	3.7
CAC 40	5,598.61	0.0	(0.0)	(0.0)
Nikkei	28,633.46	1.2	0.3	3.7
MSCI EM	1,381.31	1.6	1.7	7.0
SHANGHAI SE Composite	3,566.38	(0.6)	0.0	3.4
HANG SENG	29,642.28	2.7	3.8	8.9
BSE SENSEX	49,398.29	1.8	0.7	3.3
Bovespa	120,636.40	(1.8)	(1.3)	(1.8)
RTS	1,470.63	(0.3)	(0.2)	6.0

Source: Bloomberg (*\$ adjusted returns)

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