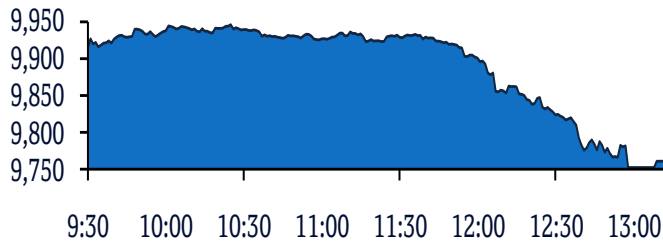


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 1.5% to close at 9,764.4. Losses were led by the Real Estate and Transportation indices, falling 3.8% and 2.8%, respectively. Top losers were Qatari German Company for Medical Devices and Qatar First Bank, falling 8.6% and 8.3%, respectively. Among the top gainers, Qatar Cinema & Film Distribution Company gained 9.8%, while Qatar Islamic Bank was up 0.6%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.9% to close at 8,291.4. Losses were led by the Capital Goods and Health Care indices, falling 2.2% and 1.9%, respectively. Tihama Advertising & Public Rel. Co declined 4.9%, while Nama Chemicals was down 4.7%.

Dubai: The DFM Index fell 2.2% to close at 2,270.1. The Real Estate & Construction index declined 3.6%, while the Consumer Staples and Discretionary index fell 2.7%. Dar Al Takaful declined 5.0%, while Gulf Navigation Holding was down 4.9%.

Abu Dhabi: The ADX General Index fell 1.2% to close at 4,492.2. The Energy index declined 2.3%, while the Consumer Staples index fell 2.1%. National Marine Dredging Company and Gulf Cement Company were down 5.0% each.

Kuwait: The Kuwait All Share Index gained 0.5% to close at 5,533.7. The Technology index rose 4.5%, while the Real Estate index gained 2.2%. Al-Enma'A Real Estate Co. rose 10.4%, while Amwal International Investment Co was up 9.9%.

Oman: The MSM 30 Index gained 0.2% to close at 3,626.3. The Financial index gained 0.2%, while the other indices ended in red. Al Jazeera Steel Products Company rose 3.0%, while Sohar International Bank was up 2.1%.

Bahrain: The BHB Index fell 0.1% to close at 1,440.4. The Investment index declined 0.3%, while the Commercial Banks index fell 0.1%. Nass Corporation declined 9.1%, while GFH Financial Group was down 2.4%.

| QSE Top Gainers | Close* | 1D% | Vol. '000 | YTD% |
|----------------------------------|--------|-----|-----------|------|
| Qatar Cinema & Film Distribution | 4.12 | 9.8 | 631.9 | 87.1 |
| Qatar Islamic Bank | 16.10 | 0.6 | 915.1 | 5.0 |

| QSE Top Volume Trades | Close* | 1D% | Vol. '000 | YTD% |
|-------------------------------|--------|-------|-----------|------|
| United Development Company | 1.70 | (0.6) | 140,768.6 | 11.8 |
| Qatar Aluminium Manufacturing | 1.00 | (6.0) | 72,656.2 | 28.4 |
| Investment Holding Group | 0.63 | (5.0) | 37,774.7 | 11.7 |
| Mazaya Qatar Real Estate Dev. | 1.16 | (7.4) | 31,748.6 | 61.3 |
| Aljarah Holding | 1.14 | (4.0) | 30,091.8 | 61.8 |

| Regional Indices | Close | 1D% | WTD% | MTD% | YTD% |
|------------------|----------|-------|-------|-------|--------|
| Qatar* | 9,764.39 | (1.5) | (1.8) | (0.8) | (6.3) |
| Dubai | 2,270.05 | (2.2) | (2.2) | 1.1 | (17.9) |
| Abu Dhabi | 4,492.19 | (1.2) | (0.4) | (0.6) | (11.5) |
| Saudi Arabia | 8,291.35 | (0.9) | (0.6) | 4.4 | (1.2) |
| Kuwait | 5,533.73 | 0.5 | 1.6 | 4.5 | (11.9) |
| Oman | 3,626.27 | 0.2 | (0.6) | (3.9) | (8.9) |
| Bahrain | 1,440.40 | (0.1) | 0.4 | 4.3 | (10.5) |

| Market Indicators | 21 Sep 20 | 20 Sep 20 | %Chg. |
|---------------------------|-----------|-----------|-------|
| Value Traded (QR mn) | 921.8 | 737.4 | 25.0 |
| Exch. Market Cap. (QR mn) | 574,693.9 | 586,056.5 | (1.9) |
| Volume (mn) | 517.6 | 454.2 | 14.0 |
| Number of Transactions | 15,545 | 12,996 | 19.6 |
| Companies Traded | 47 | 46 | 2.2 |
| Market Breadth | 2:45 | 18:23 | - |

| Market Indices | Close | 1D% | WTD% | YTD% | TTMP/E |
|------------------------|-----------|-------|-------|--------|--------|
| Total Return | 18,771.72 | (1.5) | (1.8) | (2.1) | 15.9 |
| All Share Index | 3,016.81 | (1.5) | (1.9) | (2.7) | 16.6 |
| Banks | 4,048.44 | (0.6) | (1.2) | (4.1) | 13.6 |
| Industrials | 2,950.12 | (2.8) | (3.5) | 0.6 | 25.6 |
| Transportation | 2,761.26 | (2.8) | (2.9) | 8.1 | 13.1 |
| Real Estate | 1,926.02 | (3.8) | (1.7) | 23.1 | 15.8 |
| Insurance | 2,058.59 | (1.5) | 0.2 | (24.7) | 32.7 |
| Telecoms | 881.45 | (2.8) | (2.6) | (1.5) | 14.9 |
| Consumer | 7,838.02 | (2.3) | (2.3) | (9.3) | 24.6 |
| Al Rayan Islamic Index | 4,082.34 | (2.3) | (2.0) | 3.3 | 19.0 |

| GCC Top Gainers** | Exchange | Close* | 1D% | Vol. '000 | YTD% |
|---------------------------|----------|--------|-----|-----------|--------|
| Mabane Co. | Kuwait | 0.76 | 4.3 | 2,234.5 | (11.0) |
| Sohar International Bank | Oman | 0.10 | 2.1 | 457.0 | (8.2) |
| Agility Public Wareh. Co. | Kuwait | 0.67 | 2.0 | 3,403.1 | (6.2) |
| National Bank of Oman | Oman | 0.17 | 1.8 | 306.8 | (9.8) |
| Kuwait Finance House | Kuwait | 0.67 | 1.8 | 19,343.0 | (9.7) |

| GCC Top Losers** | Exchange | Close* | 1D% | Vol. '000 | YTD% |
|-------------------------|--------------|--------|-------|-----------|--------|
| Barwa Real Estate Co. | Qatar | 3.30 | (5.7) | 7,637.3 | (6.8) |
| Mesaieed Petro. Holding | Qatar | 2.10 | (4.6) | 7,481.1 | (16.3) |
| Emaar Malls | Dubai | 1.46 | (3.9) | 10,944.4 | (20.2) |
| National Petrochemical | Saudi Arabia | 29.60 | (3.6) | 663.4 | 24.7 |
| GFH Financial Group | Dubai | 0.61 | (3.5) | 22,004.2 | (27.7) |

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% |
|--------------------------------|--------|-------|-----------|-------|
| Qatari German Co for Med. Dev. | 2.39 | (8.6) | 17,560.7 | 310.7 |
| Qatar First Bank | 1.31 | (8.3) | 13,182.7 | 60.4 |
| Salam International Inv. Ltd. | 0.62 | (8.2) | 17,763.3 | 20.7 |
| Qatar Oman Investment Co. | 0.88 | (8.0) | 9,770.8 | 31.7 |
| Baladna | 2.00 | (7.8) | 19,586.1 | 100.0 |

| QSE Top Value Trades | Close* | 1D% | Val. '000 | YTD% |
|--------------------------------|--------|-------|-----------|-------|
| United Development Company | 1.70 | (0.6) | 260,137.2 | 11.8 |
| Qatar Aluminium Manufacturing | 1.00 | (6.0) | 76,289.1 | 28.4 |
| Qatari German Co for Med. Dev. | 2.39 | (8.6) | 43,411.2 | 310.7 |
| Baladna | 2.00 | (7.8) | 41,409.9 | 100.0 |
| Mazaya Qatar Real Estate Dev. | 1.16 | (7.4) | 39,409.6 | 61.3 |

Source: Bloomberg (* in QR)

| Regional Indices | Close | 1D% | WTD% | MTD% | YTD% | Exch. Val. Traded (\$ mn) | Exchange Mkt. Cap. (\$ mn) | P/E** | P/B** | Dividend Yield |
|------------------|----------|-------|-------|-------|--------|---------------------------|----------------------------|-------|-------|----------------|
| Qatar* | 9,764.39 | (1.5) | (1.8) | (0.8) | (6.3) | 250.74 | 155,971.9 | 15.9 | 1.5 | 4.1 |
| Dubai | 2,270.05 | (2.2) | (2.2) | 1.1 | (17.9) | 98.29 | 86,193.1 | 8.6 | 0.8 | 4.3 |
| Abu Dhabi | 4,492.19 | (1.2) | (0.4) | (0.6) | (11.5) | 92.04 | 181,736.7 | 16.4 | 1.3 | 5.4 |
| Saudi Arabia | 8,291.35 | (0.9) | (0.6) | 4.4 | (1.2) | 3,320.86 | 2,488,672.8 | 30.2 | 2.0 | 2.5 |
| Kuwait | 5,533.73 | 0.5 | 1.6 | 4.5 | (11.9) | 190.60 | 104,977.3 | 29.7 | 1.4 | 3.5 |
| Oman | 3,626.27 | 0.2 | (0.6) | (3.9) | (8.9) | 6.81 | 16,392.7 | 10.8 | 0.7 | 6.7 |
| Bahrain | 1,440.40 | (0.1) | 0.4 | 4.3 | (10.5) | 6.02 | 21,968.5 | 13.4 | 0.9 | 4.8 |

Qatar Market Commentary

- The QE Index declined 1.5% to close at 9,764.4. The Real Estate and Transportation indices led the losses. The index fell on the back of selling pressure from GCC and Foreigners shareholders despite buying support from Qatari and Arab shareholders.
- Qatari German Company for Medical Devices and Qatar First Bank were the top losers, falling 8.6% and 8.3%, respectively. Among the top gainers, Qatar Cinema & Film Distribution Company gained 9.8%, while Qatar Islamic Bank was up 0.6%.
- Volume of shares traded on Monday rose by 14.0% to 517.6mn from 454.2mn on Sunday. Further, as compared to the 30-day moving average of 354.8mn, volume for the day was 45.9% higher. United Development Company and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 27.2% and 14.0% to the total volume, respectively.

| Overall Activity | Buy %* | Sell %* | Net (QR) |
|-------------------------|---------------|---------------|----------------------|
| Qatari Individuals | 53.89% | 48.96% | 45,397,722.0 |
| Qatari Institutions | 19.32% | 23.85% | (41,781,776.9) |
| Qatari | 73.21% | 72.81% | 3,615,945.1 |
| GCC Individuals | 1.25% | 1.71% | (4,242,891.3) |
| GCC Institutions | 0.66% | 1.24% | (5,400,879.2) |
| GCC | 1.91% | 2.95% | (9,643,770.5) |
| Arab Individuals | 14.46% | 13.31% | 10,573,120.5 |
| Arab Institutions | 0.00% | - | 34,250.0 |
| Arab | 14.46% | 13.31% | 10,607,370.5 |
| Foreigners Individuals | 4.45% | 4.63% | (1,634,878.3) |
| Foreigners Institutions | 5.97% | 6.29% | (2,944,666.8) |
| Foreigners | 10.43% | 10.92% | (4,579,545.0) |

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

Earnings Calendar

| Tickers | Company Name | Date of reporting 3Q2020 results | No. of days remaining | Status |
|---------|--------------|----------------------------------|-----------------------|--------|
| DHBK | Doha Bank | 27-Oct-20 | 35 | Due |

Source: QSE

News

Qatar

- DHBK to disclose 3Q2020 financial statements on October 27** – Doha Bank (DHBK) intends to disclose the 3Q2020 financial statements for the period ending September 30, 2020, on October 27, 2020. (QSE)
- CBQK closes \$227.5mn syndicated term loan** – The Commercial Bank (CBQK) has announced they it successfully closed a dual-tranche \$227.5mn syndicated term loan facility recently with competitive pricing and well-diversified investors by tapping the Asian markets. The facility was mandated to Mizuho Bank Limited to lead and arrange with the purpose of meeting the bank's general funding and working capital needs. The bank recently successfully launched a senior unsecured five-year bond worth \$500mn at a new price benchmark. The transaction was launched at the set spread of +175 bps over five-year mid swaps and priced at a coupon rate of 2% and yield of 2.083 year. The issue was oversubscribed 3.8 times. This transaction marked CBQK's successful return to the US dollar public markets since 2018 and effectively repriced CBQK's funding curve down. The Commercial Bank Group's CEO, Joseph Abraham attributed the success to very positive views from investors on Qatar's strong economy and fiscal buffers, and the strength of Qatar's banking system. Investors have positively viewed the strong execution of CBQK's five-year strategy which has significantly improved the performance of the bank. (Qatar Tribune)
- GWCS becomes official logistics provider for Qatar 2022** – Gulf Warehousing Company (GWCS) has signed an agreement with

International Federation of Association Football (FIFA) under which GWCS will be the first regional supporter and official logistics provider for the FIFA World Cup Qatar 2022. GWCS, which was the National Supporter and Official Logistics Provider for the FIFA Club World Cup 2019, will build on this experience and draw on its robust network of contacts throughout the world to deliver logistics and supply chain services for the FIFA World Cup 2022. GWCS' Chairman, Sheikh Abdulla bin Fahad bin Jassim bin Jabor Al Thani said, "Today marks a landmark achievement in the history of GWCS as we are entrusted to deliver the logistical requirements for the FIFA World Cup Qatar 2022. We enter this agreement with confidence that we will showcase the world-class sporting and logistics infrastructure that Qatar has developed over the years, while embodying the values of sportsmanship and encouraging active engagement of football enthusiasts and wider audiences." (Qatar Tribune)

- Veolia designs water reuse process for Baladna** – Veolia Water Technologies Qatar (Veolia) was contracted by Baladna, Qatar's leading dairy producer, to upgrade the existing wastewater treatment facility at its cow farm located in Al Khor, north of Doha. Veolia proprietary technologies will allow an increase in the treatment capacity of the plant and enable the treated wastewater to be reused for the site's purposes. With a capacity of up to 24,000 cows and a superfcy of 2.4mn m2, Baladna's cow farm is the biggest cow farm in Qatar and one of the biggest in the GCC countries. The barn and milk parlor flushing area of the cow farm generates around 6,000 m3/day of wastewater. As part

of the wastewater treatment plant upgrade, Veolia modified and optimized the treatment performance of the existing lagoons and provided a complementary biological process to meet the treated effluent quality necessary for reuse. The treated water can now be reused for irrigation within the farm and, following further treatment by reverse osmosis, to spray and cool the cows during hot summer months. (Peninsula Qatar)

- **Moody's: SMEs impact on Qatar banking system asset quality low** – SMEs impact on Qatar's banking system asset quality is low as they account for a small portion of its loan book, and are supported by Qatar Development Bank (QDB) guarantees, Moody's Investor Service (Moody's) has said in a report. On the other hand, small and mid-sized enterprises have had a greater impact on asset quality of banking system elsewhere in the GCC region, Moody's noted. Moody's said, "All the rated banks reported an increase in provisioning cost, with the exception of one bank, where provisioning costs were high in 2019 and reported a lower expense in the first half of 2020 compared to same period last year. We expect only a limited further deterioration in asset quality in second half of the year (2H2020) as the banks' lending books are heavily skewed towards government or related entities, accounting for 29% of total loans as of June 2020 and these loans will be more resilient. Retail exposure is mainly to Qatari nationals where job losses have been negligible, and the real estate market is in a cooling-off period for the past few years and new lending to the sector has therefore been relatively limited. Together these factors will limit the increase in provisioning costs, supporting Qatari banks' profitability." However, only a "manageable" increase in provisioning by Qatari banks was expected for 2020, Moody's said. Driven by the coronavirus outbreak, loan-loss provisioning costs increased in the first half of the year (1H2020), consuming 26% of pre-provision income, up from 17% in 1H2019. "We expect provisions to rise further, reflecting problem loan formation as weaker economic activity makes it harder for borrowers to meet their repayments, particularly in the real estate, construction and contracting sectors. However, the banks' large exposure to the strongly rated Qatar (Aa3 stable) sovereign will shield overall loan performance to a large extent," Moody's said. The Qatari banks preserved their capital buffers in 1H2020, supported by lower dividend payout ratios and strong earnings, thus providing good loss absorbency. The banks' aggregate tangible common equity to risk-weighted assets (TCE ratio) stood at 14.7% as of June 2020 compared with 14.6% as of June 2019. Qatari banks improved their operating efficiency in 1H2020, which eased the pressure on bottom line profit. Operating expenses fell 3% to QR5.5bn and the cost-to-income ratio dipped to 26% in 1H2020 from QR5.7bn and 28% respectively in 1H2019, Moody's said. (Gulf-Times.com)
- **ValuStrat: Around 10,000 hotel keys in pipeline in Qatar until 2021** – Some 10,000 hotel keys are in pipeline in Qatar until 2021, researcher ValuStrat has said in a report. As per the latest statistics released by Qatar National Tourism Council (QNTC), a total of 21,500 rooms across 107 projects are under construction at various stages of development. There were reported delays in the launch of hotels in 2020 due to uncertainty caused by the advent of COVID-19, ValuStrat said in its report on Qatar's hospitality market. Citing QNTC data, ValuStrat said the total stock by end-2019 was 27,261 keys (130 hotels and hotel

apartments). Some 24,562 keys are hotel rooms and 2,699 are hotel apartments. The five-star segment is Qatar's largest in size and encompassed 12,900 rooms across 49 properties at the close of 2019. As per ValuStrat research, some 988 keys were added during 1H2020 with the opening of Pullman Hotel in West Bay, Imperium Residences in Najma, Dusit D2 Salwa Doha in Muraikh, Al Liwan Suites in Rawdat Al Khail and Diyafa Hotel Suites in Al Sadd. (Gulf-Times.com)

- **PwC: Significant potential of growth in Qatar's e-com market** – The online shopping market still has a significant potential to grow in Qatar as there is a strong mobile connectivity and internet usage in the country, according to a presentation made by PricewaterhouseCoopers (PwC) at a webinar entitled 'Emerging Technologies in eCommerce' on Monday. "This is evident from the fact that the eCommerce penetration in Qatar is only 37%, leaving ample room for growth in the future," the PwC presentation said. As per PwC, the total population of Qatar as of August 2020 is 2.73mn out of which 99% are active mobile internet users. There is a suitable demographic for eCommerce (e-com) to grow in the country as almost 86% of the total population is in the age group of 15 years to 64 years, it said. "Around 1.84mn people have an account with a financial institution with 32% having a credit card. There are more than 400 e-commerce companies in Qatar and the number of shoppers who have purchased a product or service online in the past 12 months is 37% of the total population," it said. In 2019, PwC said, nearly 32% of the online buyers preferred buying food, groceries, airline travel and lifestyle related products. Further, it is seen that eCommerce is growing beyond clothing and electronics, as local retailers are exploring new operational areas. Highlighting five key challenges that exist across the eCommerce value chain in Qatar, it said, "The market lacks strong integration as 50% consumers find the ordering process to be lengthy. Local SMEs lack proper order management, forecasting and live inventory updates. Almost 45% of consumers who shop online state that there are limited options to return the product." (Qatar Tribune)
- **Qatar to host fourth Arab Digital Content Forum on October 5-7** – Qatar is hosting the fourth Arab Digital Content Forum on October 5-7 under the theme "The Future of Arabic Content on the Internet." The event is organized by the Ministry of Transport and Communications under the auspices of the League of Arab States in collaboration with Communications Regulatory Authority (CRA) of Qatar, the Arab Information and Communication Technologies Organization (AICTO) and the UN Economic and Social Commission for West Asia (ESCWA). The 3-day virtual forum will focus on the Arabic digital content, its advancement and challenges. It will also discuss the importance of Arabic digital content during crises and the role it has played in the current COVID-19 situation and lessons from this for other crises. (Peninsula Qatar)
- **International**
- **Deutsche Bank: Global GDP to hit pre-COVID-19 levels in mid-2021** – World economic output will return to its pre-pandemic level by mid-2021 after a stronger-than-expected economic bounce in recent months, Deutsche Bank said on Monday, but bloated debt levels and a shift in policy could heighten the risk of a financial crisis. "Global economic recovery from the depths of the COVID-19 plunge this past winter and spring has proceeded

significantly faster than we envisioned,” Peter Hooper, Deutsche global head of economic research wrote in a note to clients. “As Q3 draws toward a close, we estimate that the level of global GDP is about half way back to its pre-virus level, and we now see that journey being completed by the middle of next year, a couple quarters sooner than in our previous forecast.” Deutsche raised its forecast for global GDP, expecting it to shrink 3.9% this year after predicting in May a contraction of 5.9% for 2020. For 2021, Deutsche raised its growth forecast to 5.6% from 5.3%. Yet there was also a lot of uncertainty and potential trouble ahead, Hooper added. And a shift in monetary policy - though some years away - could spell further trouble. “The expansion of debt and potential overvaluation of assets that has been fed by necessarily super easy monetary policy poses the serious risk of a looming global financial crisis as central banks begin to shift away from easy policy,” Hooper wrote. “Any upward surprises to inflation would heighten this risk.” Fears over second infection waves gathering momentum in the US and Europe had increased uncertainty over the economic outlook, with the US election that was “too close to call” adding to the mix. Meanwhile, in Europe a hard Brexit shock was a risk, Deutsche said. (Reuters)

- **Fed's Powell says central bank committed to using all tools to help recovery** – The Federal Reserve remains committed to using all the tools at its disposal to help the US economy recover from the blow delivered by the coronavirus pandemic, Chair Jerome Powell said on Monday. “We remain committed to using our tools to do what we can, for as long as it takes, to ensure that the recovery will be as strong as possible, and to limit lasting damage to the economy,” Powell said in remarks released ahead of Tuesday’s appearance before the House of Representatives Financial Services Committee, the first of three days of testimony to Congress this week. Powell’s summation of the “marked improvement” in the economic landscape largely repeated what he said last week after the Fed’s latest policy meeting, at which policymakers promised to keep interest rates pinned at zero until the economy reaches full employment and inflation is on track to modestly overshoot the central bank’s 2% target. The housing sector has rebounded, consumer spending has recovered about 75% of its decline, and about half of the 22mn jobs lost in the crisis have returned, he said. “Both employment and overall economic activity, however, remain well below their pre-pandemic levels, and the path ahead continues to be highly uncertain,” he said. Powell’s speech included an update on the Fed’s Main Street Lending program, which now has funded or has in the pipeline 230 loans totaling roughly \$2bn. “Demand for Main Street loans may increase over time if the pandemic continues to affect the ability of businesses and nonprofits to access credit through normal channels and as other support programs expire,” he said. (Reuters)
- **Trump to 'cut off' TikTok if deal cannot be saved** – President Donald Trump said on Monday that he would save a deal to boost American control of Chinese-owned popular social media app TikTok if possible, but would “cut it off” if not. Speaking to reporters before departing the White House, Trump said he had given a “preliminary ok” to a plan for US companies Oracle and Walmart to take stakes in a new US company to run TikTok, which is currently owned by China’s ByteDance. But the President also stressed that he could scrap the deal if it didn’t satisfy his demands. “If we can save it, we’ll save it, and if we

can’t we’ll cut it off,” he said before traveling to Ohio. “We have to have total security. That’s the only thing, very important, We have to have total security,” he added. Trump had previously made clear he wanted a US company to buy TikTok, but questions have swirled about whether ByteDance will retain a majority stake in the new enterprise. ByteDance said on Monday that it will own 80% of TikTok Global, a newly created US company that will own most of the app’s operations worldwide. ByteDance added that TikTok Global will become its subsidiary. Oracle and Walmart Inc, which have agreed to take stakes in TikTok Global of 12.5% and 7.5% respectively, had said on Saturday that majority ownership of TikTok would be in American hands. (Reuters)

- **CBO: Climate change since 2000 will cut US growth over next 30 years** – The effects of climate change since 2000 will slow US economic growth slightly over the next 30 years, adding another drag on an economy that will struggle to rebound from the coronavirus pandemic, the Congressional Budget Office (CBO) said on Monday. In a new research paper, the nonpartisan budget referee agency studied both positive and negative contributions to gross domestic product, from longer growing seasons in colder climates to drought to damage to factories from more intense storms. It projected that on net, climate change will reduce real US GDP by an average of 0.03% annually from 2020 to 2050, compared to what US growth would have been if global climate conditions remained the same as they were in 2000. That reduction in the growth rate, accumulated over 30 years, lowers the CBO’s projected level of real GDP output in 2050 by 1%, the paper showed. The findings were incorporated into the CBO’s long-term budget outlook released on Monday, which projected that US federal government debt now is expected to reach nearly double the country’s GDP output in 2050 as interest costs from increased borrowing run annual budget deficits higher. CBO researchers said that some aspects of climate change are incorporated quickly and directly, while others are more indirect and could take longer to manifest themselves. For example, extreme heat that lowers a farmer’s crop yield would immediately reduce that farmer’s contribution to GDP. A farmer in a cold-weather location might experience a longer growing season, increasing contributions to GDP. (Reuters)
- **ByteDance, Oracle at loggerheads over terms of TikTok agreement** – ByteDance and Oracle Corp issued conflicting statements on Monday over the terms of an agreement they reached with the White House over the weekend to allow TikTok to continue to operate in the US, casting doubt on President Donald Trump’s preliminary blessing of the deal. China’s ByteDance was racing to avoid a crackdown on its popular short-video app after the US Commerce Department said on Friday it would block new downloads and updates to the app. US officials had expressed concern that the personal data of as many as 100mn Americans that use the app was being passed on to China’s Communist Party government. A successful deal would allow Trump to drop his threat of shutting down TikTok and avoid alienating its army of young users ahead of the November 3 US election. ByteDance said on Monday that it will own 80% of TikTok Global, a newly created US company that will own most of the app’s operations worldwide. ByteDance added that TikTok Global will become its subsidiary. (Reuters)

- IHS Markit: Britons stay downbeat about their finances in September** – British households’ confidence about their finances remained low in September, and showed no sign of returning to pre-pandemic levels, according to a survey which raises questions about the durability of the current bounce back in retail spending. The IHS Markit Household Finance Index held at 40.8 in September, unchanged from August and some way below the level of around 44 where it fluctuated through 2019. Job worries intensified for the first time since the depth of the pandemic, as a government support scheme for several million workers ends next month with no replacement in sight. “September data also signaled reductions in household spending, savings and cash availability, all of which highlight the crunch on finances at present,” IHS Markit economist Lewis Cooper said. The downbeat tone of the report contrasts with consumers’ spending behavior in recent months. Retail sales exceeded pre-pandemic levels in July and August, and restaurants reported strong take-up of a government incentive to dine out. For some households, savings rose considerably during the lockdown as outgoings for commuting fell sharply and there were few chances to spend on holidays or socializing. (Reuters)
- UK manufacturers see little sign of ‘V’-shaped recovery** – British manufacturers see no evidence of a ‘V’-shaped recovery from the coronavirus pandemic underway and many are planning to slash investment, a business survey showed on Monday. The Make UK industry association and accountants BDO said output and orders had improved from historic lows struck last quarter during the depths of the pandemic. But the survey’s quarterly gauge of investment intentions fell to -32% from -26%, almost touching depths last seen in the financial crisis. “Manufacturing has begun to climb away from the abyss that it stared into earlier in the year,” said Stephen Phipson, Chief Executive at Make UK. “But, make no mistake it is going to be a long haul back towards normal trading conditions, with talk of a ‘V’-shaped recovery nothing more than fanciful.” The possibility that Britain and the European Union fail to agree a trade deal before the end of the Brexit transition period would be a “final nail in the coffin” for many manufacturers, Phipson added. Output in Britain’s manufacturing sector was still 8.7% below its pre-pandemic level in July, according to official data published earlier this month. Like other indicators of the labor market, manufacturers’ employment expectations deteriorated in the latest Make UK/BDO survey, although its gauge of future output improved somewhat. The survey of 364 companies was conducted between August 5 and August 26. (Reuters)
- EU gives banks 18-months to cut 'excessive' reliance on UK clearers** – Banks and other financial market participants in the European Union (EU) will have until mid-2022 to cut their “excessive reliance” on derivatives clearing houses in Britain, the bloc’s executive European Commission said on Monday. Britain, which hosts Europe’s biggest financial hub in London, left the EU in January and its unfettered access to the bloc ends in December. EU Financial Services Chief Valdis Dombrovskis said he has approved a proposal to allow clearing houses or central counterparties (CCPs) in Britain to continue serving EU customers for 18 months from January 2021. “This time-limited decision has a very practical rationale, because it gives EU market participants the time they need to reduce their excessive exposures to UK-based CCPs, and EU CCPs the time to build up their clearing capability,” Dombrovskis said in a statement. Clearers stand between the two sides of a trade, ensuring its orderly completion even if one side goes bust. LCH, a unit of the London Stock Exchange, clears the bulk of euro-denominated interest rate swaps that are widely used by companies to hedge against adverse moves in borrowing costs. ICE Clear Europe is also used by EU clients. The Bank of England, which regulates LCH, said it welcomed the EU’s decision, though a time-limited one, to avoid shifting contracts in a short period which would raise financial stability risks. As of August 2020, there were 60tn Pounds (\$76.93tn) of derivative contracts between clearers in Britain and their EU members, with 43tn of this due to expire after December, the BoE said. (Reuters)
- China's cabinet unveils steps to spur new forms of consumption** – China’s cabinet on Monday issued guidelines to boost new types of consumption, including online shopping and payments, in a bid to support the recovery of the economy. New forms of consumption have played an important role in driving China’s economic recovery, but the development is hampered by inadequate infrastructure, weak service capacity and lagging regulations, the State Council said. China’s retail sales rose 0.5% in August from a year earlier, snapping a seven-month downturn, but still trailing behind expansion in exports and investment, as the economy steadily recovers from a coronavirus-induced slump. China aims to foster a batch of model cities and leading companies on new types of consumption by 2025 and the share of online retail sales in overall retail sales would show as significant increase, the cabinet said. China would allow qualified firms in the new consumption sector to raise funds by issuing stocks and bonds, while banks will reduce fees for consumers and firms, the cabinet said. The government will also promote the close integration of online and offline businesses, and improve infrastructure, including 5G networks and data centers, it said. (Reuters)
- Sberbank: Russia's job market boosted by new hires at lower pay** – Russia’s labor market is seeing a gradual recovery from the impact of the COVID-19 pandemic because people are being hired at lower salaries, Sberbank, the country’s largest lender, said on Monday. Russia’s decision to impose lockdowns in late March to curb the coronavirus led to an uptick in unemployment, while hitting the Rouble and prompting the central bank to cut interest rates to prop up the economy. Analysts from SberIndex, Sberbank’s statistics unit, said overall gross payrolls fell in August by 1.1% compared with early 2020, a much smaller decline than the 7.6% decline seen in May. “The labor market is reviving due to workers being hired at lower wages,” the analysts said. Sberbank data showed that nominal wage growth in August stood at 4.2% YoY, marginally above inflation and far slower than pre-pandemic growth of near 10%. Healthcare was the only sector to see consistent wage growth in 2020, the data showed, with salaries increasing 13.7% more than the trend level, reflecting the strong demand for medical workers as the pandemic took hold. Russia’s central bank estimates that real wages in Russia will increase by an average of around 1.5-2.5% in 2020. (Reuters)
- Global banks seek to contain damage over \$2tn of suspicious transfers** – Global banks faced a fresh scandal about dirty money

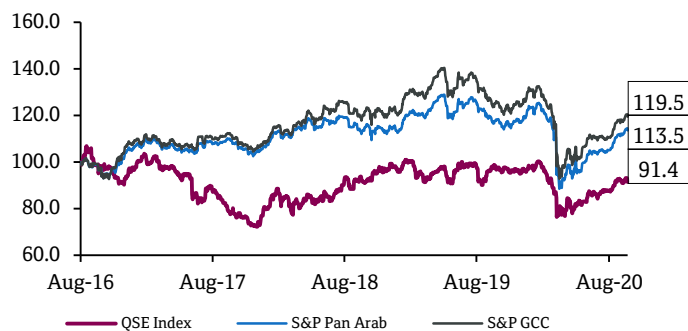
on Monday as they sought to limit the fallout from a cache of leaked documents showing they transferred more than \$2tn in suspect funds over nearly two decades. Britain-based HSBC Holdings Plc, Standard Chartered Plc and Barclays Plc, Germany's Deutsche Bank AG and Commerzbank AG, and US-headquartered JPMorgan Chase & Co and Bank of New York Mellon Corp were among the lenders named in the report by the International Consortium of Investigative Journalists and based on leaked documents obtained by BuzzFeed News. The report was based on 2,100 leaked suspicious activity reports (SARs), covering transactions between 1999 and 2017, filed by banks and other financial firms with the US Department of Treasury's Financial Crimes Enforcement Network (FinCEN). Banks are required to file an SAR whenever handling funds that cause grounds for suspicion of criminal activity. While some banks said many of the transactions happened a long time ago, and they had since put robust checks in place, the reports revealed broader problems with the monitoring system at the heart of global policing of money laundering and other criminal activity. The reports drew calls from some industry groups and activists for reforms. Investors worried about the potential fallout for global banks, many of which have faced hefty fines in the past for lapses in controls and spent billions of dollars to bolster compliance. The Institute of International Finance (IIF), an industry group, called for reforms. "There is a balance to be struck between managing financial crime risk and ensuring access to the financial system for legitimate customers," the IIF said. (Reuters)

Regional

- Fitch named best Islamic Finance Rating Agency by GIFA 2020** – Fitch Ratings has been recognized as the Best Islamic Finance Rating Agency by the Global Islamic Finance Awards (GIFA) 2020. The objective of GIFA is to highlight the best practices in Islamic banking and finance. Winners are decided by a nomination committee based on proprietary methodology undertaken by Cambridge International Financial Advisory. Selection criteria for the awards include innovation, quantity and quality, cross-border reach of products and services, as well as social responsibility, sharia authenticity, and commitment to Islamic banking and finance. Fitch helped shape Islamic Finance with its dedicated Sukuk rating criteria, which goes back more than a decade; and provides specific consideration to environment, social and governance factors in its ESG scores in rating Islamic banks. It is the leading agency to provide globally standardized cross-sector rating action sector commentaries and takaful-specific considerations within its global insurance rating criteria. (Bloomberg)
- Survey: Saudi Arabia's economy to contract 4.8% in 2020 compared to prior -4%** – The Saudi Arabian economy will contract 4.8% in 2020 according to the latest results of a Bloomberg News survey of 11 economists conducted from September 11 to September 16. The GDP for 2021 will rise 3.2% YoY compared to prior estimation of rise of 3.2%. The CPI for 2020 will rise 3.8% YoY compared to a rise of 1.7%. The CPI for 2021 will rise 2% YoY compared to prior rise of 2%. The current Saudi Arabian Monetary Agency (SAMA) bank rate is at 1.00%, with the end 2020 forecast at 1.00%. (Bloomberg)
- Saudi Arabian supermarket operator BinDawood may price IPO at top of range** – Saudi Arabian supermarket operator BinDawood Holding may price its initial public offering (IPO) at the top of its range after a bookrunner note said investors bidding below SR96 may not get an allocation. The company last week set an indicative price for its IPO between SR84 to SR96 per share in the offering. BinDawood, which owns the Danube and BinDawood supermarket brands, manages over 70 hypermarkets and supermarkets in major Saudi cities including Makkah, Medina, Jeddah, Riyadh, Khobar and Dammam, according to its website. BinDawood will sell 20% of the company through the sale of existing shares. At the top of the range, the company could raise as much as SR2.19bn in a Riyadh listing. The company's IPO books were covered as of September 14, throughout the price range, indicating demand for shares exceeded the deal size, according to a document seen by Reuters. (Reuters)
- BAHRI to distribute cash dividends to shareholders for 1H2020** – The National Shipping Company of Saudi Arabia (Bahri) will distribute SR393,750,000 as dividends for 1H2020 for 393,750,000 shares. The dividend per share amounts to SR1. (Tadawul)
- Survey: UAE's economy to contract 5.1% in 2020; compared to prior fall 5.1%** – The economy of the UAE will contract 5.1% in 2020 according to the latest results of a Bloomberg News survey of eight economists conducted from September 11 to September 16. The GDP for 2021 will rise 2.9% YoY compared to prior estimation rise of 2.6%, CPI for 2020 will fall 1.3% YoY compared to prior estimation rise of 0.3%, CPI 2021 will rise 0.5% YoY compared to prior estimation rise of 1.6%. (Bloomberg)
- Israel's Leumi, UAE's DP World partner on regional trade** – Israel's Bank Leumi and Dubai's DP World said on Monday they had agreed to partner in boosting trade between Israel and the rest of the Middle East. This includes possible financing for the development of Israel's port sector, Leumi, one of Israel's largest lenders, said. The memorandum of understanding (MoU) includes simplifying working capital requirements to improve the flow of cargo and digital solutions to remove inefficiencies in the supply chain, DP World said. Dubai state-owned DP World, a global port operator, announced last week that it was partnering with an Israeli group to bid for one of Israel's two main ports. This follows an historic agreement last month between Israel and the United Arab Emirates to normalize ties. (Reuters)
- Emirates Islamic closes \$500mn Sukuk** – Emirates Islamic Bank has successfully closed the issuance of five-year Sukuk worth \$500mn from its \$2.5bn Certificate Issuance Program. To be listed on Nasdaq Dubai and Euronext Dublin, the Sukuk issuance saw strong demand from regional and international investors, with a subscription order of \$1.2bn, 2.4 times more than the issuance size. The Sukuk has a profit rate of 1.827%, the lowest achieved by a UAE bank in the past ten years. The investor base was diversified geographically, with 41% coming from the Middle East and North Africa, 28% from Asia, 17% from the US, and 14% from Europe. The CEO of Emirates Islamic, Salah Amin, commented: "We are pleased with the overwhelming response from both regional and global investors which is a positive endorsement of the Bank's credit strength and investor proposition." (Zawya)

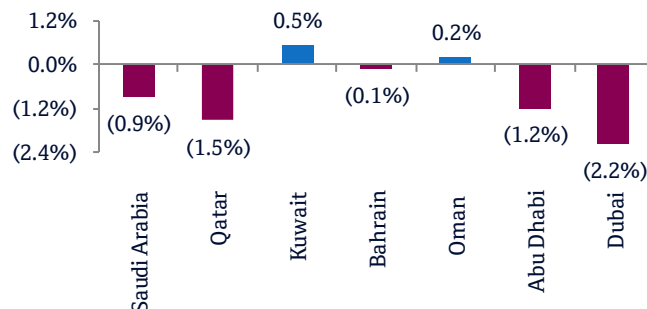
- **Dubai-listed SHUAA Capital to issue \$150mn bonds** – Dubai’s SHUAA Capital has received the green light from its board to issue bonds worth up to \$150mn. The bonds will be offered through a private placement and will be listed outside the UAE, the company said on Monday. In a bourse filing, the company said its board of directors approved the issuance of bonds in an amount up to \$150mn. The planned offering, however, is still subject to regulatory and shareholders’ approval. The asset management and investment banking platform, which has \$13bn in assets under management, has joined a growing number of corporates making a comeback to the debt markets to raise extra capital. Despite the headwinds from the coronavirus pandemic, the company said its investment bank’s model remains resilient and that it is actively involved in capital restructuring and raising mandates in excess of \$2bn. (Zawya)
- **First Abu Dhabi Bank hires banks for AT1 US Dollar bond** – First Abu Dhabi Bank has hired banks for AT1 US Dollar bond. A benchmark fixed rate resettable USD RegS Additional Tier 1 perpetual non-call six-year bond to follow, according to sources. It has hired First Abu Dhabi Bank and Standard Chartered as joint structuring agents, and Citi, First Abu Dhabi Bank, HSBC and Standard Chartered as joint lead managers and bookrunners. A conference call will be held on September 21, subject to market conditions. (Bloomberg)
- **UAE’s Tabreed plans to issue \$1bn Sukuk** – Dubai-listed National Central Cooling Company (Tabreed) is planning to raise funds through the issuance of dollar-denominated Sukuk, or bonds. The Dubai-listed firm joins a growing list of corporates and sovereigns in the GCC who are turning to the international debt markets in a bid to bolster finances amid the coronavirus pandemic. The company said on Monday that it will hold a general assembly meeting next month to consider a resolution authorizing the board of directors to issue bonds and/ or sukuk with a total value of up to \$1bn. The offering can either be made in one or multiple tranches, with a tenor of up to 30 years and at a profit rate not exceeding the prevailing market rate available to companies with the same credit rating as Tabreed. “But [it will not be] for public subscription in the United Arab Emirates and not to be listed on any financial market [in the country],” Tabreed said in a bourse filing with the Dubai Financial Market (DFM). (Zawya)
- **Survey: Kuwait’s economy to contract 5.9% in 2020 compared to prior fall of 5.6%** – Kuwait’s economy will contract 5.9% in 2020 according to the latest results of a Bloomberg News survey of seven economists conducted from September 11 to September 16. The GDP for 2021 will rise 3% YoY compared to prior estimation of rise of 2.8%, CPI for 2020 will rise 1.2% YoY compared to prior estimation of rise of 1.2%, CPI for 2021 will rise 1.8% YoY compared to prior estimation rise of 1.8%. (Bloomberg)
- **Survey: Oman’s economy to contract 4.5% in 2020 compared to prior fall of 3.5%** – Oman’s economy will contract 4.5% in 2020 according to the latest results of a Bloomberg News survey of seven economists conducted from September 11 to September 16. The GDP for 2021 will rise 2.5% YoY compared to a prior rise of 1.7%, CPI for 2020 will rise 0.2% YoY compared to a prior estimate rise of 0.5%, CPI for 2021 will rise 0.9% YoY compared to prior estimate rise of 0.9%. (Bloomberg)
- **Oman sells OMR10mn 91-day bills at yield of 0.79%** – Oman sold OMR10mn of 91-day bills due on December 23, 2020. The bills were sold at a price of 99.804, have a yield of 0.79% and will settle on September 23, 2020. (Bloomberg)
- **Survey: Bahrain’s economy to contract 4% in 2020; compared to prior fall of 3.3%** – The economy of Bahrain will contract 4% in 2020 according to the latest results of a Bloomberg News survey of seven economists conducted from September 11 to September 16. The GDP for 2021 will rise 2.7% YoY compared to prior estimation rise of 2.5%, CPI for 2020 will fall 1.1% YoY compared to prior estimation rise of 0.6%, CPI for 2021 will rise 1.2% YoY compared to prior estimation rise of 1%. (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 1.18x** – Bahrain sold BHD70mn of 91-day bills due on December 23, 2020. Investors offered to buy 1.18 times the amount of securities sold. The bills were sold at a price of 99.44, have a yield of 2.23% and will settle on September 23, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

| Asset/Currency Performance | Close (\$) | 1D% | WTD% | YTD% |
|--------------------------------------|------------|--------|--------|--------|
| Gold/Ounce | 1,912.51 | (2.0) | (2.0) | 26.0 |
| Silver/Ounce | 24.72 | (7.7) | (7.7) | 38.4 |
| Crude Oil (Brent)/Barrel (FM Future) | 41.44 | (4.0) | (4.0) | (37.2) |
| Crude Oil (WTI)/Barrel (FM Future) | 39.31 | (4.4) | (4.4) | (35.6) |
| Natural Gas (Henry Hub)/MMBtu | 1.33 | (14.7) | (14.7) | (36.4) |
| LPG Propane (Arab Gulf)/Ton | 49.38 | (3.2) | (3.2) | 19.7 |
| LPG Butane (Arab Gulf)/Ton | 55.75 | (2.6) | (2.6) | (14.9) |
| Euro | 1.18 | (0.6) | (0.6) | 5.0 |
| Yen | 104.65 | 0.1 | 0.1 | (3.6) |
| GBP | 1.28 | (0.8) | (0.8) | (3.3) |
| CHF | 1.09 | (0.3) | (0.3) | 5.8 |
| AUD | 0.72 | (0.9) | (0.9) | 2.9 |
| USD Index | 93.66 | 0.8 | 0.8 | (2.8) |
| RUB | 76.13 | 0.5 | 0.5 | 22.8 |
| BRL | 0.18 | (0.4) | (0.4) | (25.8) |

Source: Bloomberg

| Global Indices Performance | Close | 1D%* | WTD%* | YTD%* |
|----------------------------|-----------|-------|-------|--------|
| MSCI World Index | 2,329.49 | (1.6) | (1.6) | (1.2) |
| DJ Industrial | 27,147.70 | (1.8) | (1.8) | (4.9) |
| S&P 500 | 3,281.06 | (1.2) | (1.2) | 1.6 |
| NASDAQ 100 | 10,778.80 | (0.1) | (0.1) | 20.1 |
| STOXX 600 | 356.82 | (4.3) | (4.3) | (10.3) |
| DAX | 12,542.44 | (5.4) | (5.4) | (0.9) |
| FTSE 100 | 5,804.29 | (4.6) | (4.6) | (25.8) |
| CAC 40 | 4,792.04 | (4.8) | (4.8) | (16.2) |
| Nikkei | 23,360.30 | - | - | 3.0 |
| MSCI EM | 1,090.35 | (1.6) | (1.6) | (2.2) |
| SHANGHAI SE Composite | 3,316.94 | (1.2) | (1.2) | 11.3 |
| HANG SENG | 23,950.69 | (2.1) | (2.1) | (14.6) |
| BSE SENSEX | 38,034.14 | (2.1) | (2.1) | (10.8) |
| Bovespa | 96,990.70 | (3.0) | (3.0) | (37.9) |
| RTS | 1,181.24 | (3.9) | (3.9) | (23.7) |

Source: Bloomberg (*\$ adjusted returns)

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