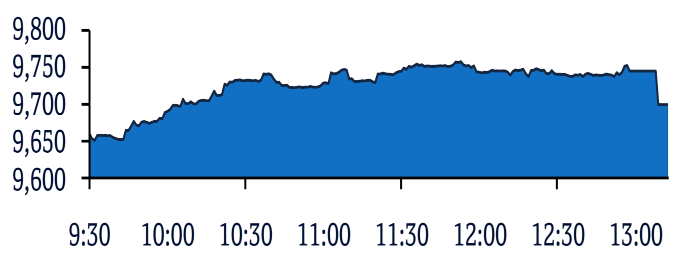
Daily Market Report

Wednesday, 04 November 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.6% to close at 9,701.0. Gains were led by the Industrials and Real Estate indices, gaining 2.1% and 1.9%, respectively. Top gainers were Qatar Cinema & Film Distribution Company and Aamal Company, rising 10.0% and 9.9%, respectively. Among the top losers, Ooredoo fell 1.5%, while Qatar Electricity & Water Company was down 0.4%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.3% to close at 7,998.6. Losses were led by the Pharma and Insurance indices, falling 2.1% and 2.0%, respectively. Malath Insurance declined 6.5%, while Al Rajhi Co. for Cooperative Ins. was down 5.6%.

Dubai: The DFM Index fell 1.2% to close at 2,139.7. The Telecommunication index declined 2.3%, while the Banks index fell 1.5%. Union Properties declined 4.6%, while Gulf Navigation Holding was down 4.1%.

Abu Dhabi: The ADX General Index gained 0.3% to close at 4,649.4. The Investment & Financial Services rose 1.1%, while Consumer Staples was up 1.0%. Gulf Cement rose 11.4%, while Abu Dhabi National Co. for Building Materials was up 4.6%.

Kuwait: The Kuwait All Share Index gained 1.9% to close at 5,468.6. The Industrials and Banks indices rose 2.3% each. National Shooting Company rose 9.6%, while Al-Massaleh Real Estate Company was up 8.7%.

Oman: The MSM 30 Index fell 0.3% to close at 3,538.0. Losses were led by the Services and Industrial indices, falling 0.6% and 0.4%, respectively. Al Maha Petro. Products Marketing declined 3.6%, while Al Anwar Ceramic Tiles was down 2.9%.

Bahrain: The BHB Index gained 0.7% to close at 1,436.4. The Commercial Banks index rose 1.3%, while the other indices ended flat or in red. Ahli United Bank rose 2.4%, while APM Terminals Bahrain was up 0.4%.

Market Indicators	03 Nov 20	02 Nov 20	%Chg.
Value Traded (QR mn)	383.8	323.6	18.6
Exch. Market Cap. (QR mn)	564,176.1	559,719.2	0.8
Volume (mn)	245.8	210.3	16.9
Number of Transactions	9,893	8,730	13.3
Companies Traded	45	47	(4.3)
Market Breadth	35:7	21:24	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,649.86	0.6	0.1	(2.8)	16.5
All Share Index	3,003.03	0.6	(0.0)	(3.1)	17.2
Banks	4,105.12	0.1	(0.4)	(2.7)	14.5
Industrials	2,761.73	2.1	1.7	(5.8)	24.7
Transportation	2,793.75	0.1	(1.0)	9.3	12.8
Real Estate	1,786.07	1.9	(0.9)	14.1	15.8
Insurance	2,243.59	1.4	(0.6)	(18.0)	32.8
Telecoms	923.66	(0.2)	1.1	3.2	13.8
Consumer	7,741.87	0.8	(0.3)	(10.5)	22.8
Al Rayan Islamic Index	3,982.59	1.2	0.2	0.8	18.2

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Burgan Bank	Kuwait	0.21	5.0	2,477.8	(30.3)
Gulf Bank	Kuwait	0.23	3.7	9,262.4	(25.7)
Boubyan Bank	Kuwait	0.61	3.4	2,792.9	0.4
Kuwait Finance House	Kuwait	0.66	3.3	25,043.4	(10.1)
Mesaieed Petro. Holding	Qatar	1.89	2.8	1,833.7	(24.7)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Industrialization	Saudi Arabia	11.82	(2.3)	6,568.7	(13.6)
HSBC Bank Oman	Oman	0.09	(2.2)	213.9	(27.3)
Saudi British Bank	Saudi Arabia	23.10	(2.1)	1,795.2	(33.4)
Bupa Arabia for Coop. Ins.	Saudi Arabia	112.00	(2.1)	150.4	9.4
Dubai Islamic Bank	Dubai	4.01	(2.0)	11,119.5	(27.2)

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%
Qatar Cinema & Film Distribution	3.88	10.0	2.0	76.5
Aamal Company	0.81	9.9	17,931.4	(0.4)
Alijarah Holding	1.10	8.1	9,212.7	56.6
Qatar Aluminium Manufacturing	0.90	6.6	18,196.1	15.5
Mazaya Qatar Real Estate Dev.	1.03	6.2	32,518.5	43.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.55	3.8	56,146.2	(3.4)
Mazaya Qatar Real Estate Dev.	1.03	6.2	32,518.5	43.3
Salam International Inv. Ltd.	0.55	4.2	18,391.7	5.4
Qatar Aluminium Manufacturing	0.90	6.6	18,196.1	15.5
Aamal Company	0.81	9.9	17,931.4	(0.4)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Ooredoo	6.70	(1.5)	762.0	(5.4)
Qatar Electricity & Water Co.	16.89	(0.4)	315.8	5.0
Qatar Islamic Bank	16.12	(0.2)	1,653.6	5.2
Qatar Fuel Company	17.17	(0.2)	188.1	(25.0)
Qatar Navigation	5.94	(0.1)	96.4	(2.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.80	(0.1)	41,708.6	(13.6)
Mazaya Qatar Real Estate Dev.	1.03	6.2	33,051.3	43.3
Investment Holding Group	0.55	3.8	30,422.0	(3.4)
Qatar Islamic Bank	16.12	(0.2)	26,745.4	5.2
Ezdan Holding Group	1.58	2.1	26,289.8	157.4

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*	9,701.00	0.6	0.1	0.1	(6.9)	104.00	152,778.9	16.5	1.4	4.1
Dubai	2,139.67	(1.2)	(2.2)	(2.2)	(22.6)	50.30	83,384.0	8.8	0.7	4.5
Abu Dhabi	4,649.43	0.3	(0.2)	(0.2)	(8.4)	94.71	187,030.6	17.6	1.3	5.3
Saudi Arabia	7,998.59	(0.3)	1.1	1.1	(4.7)	1,937.85	2,345,334.6	29.3	1.9	2.5
Kuwait	5,468.59	1.9	0.5	0.5	(13.0)	210.70	99,559.7	32.9	1.3	3.6
Oman	3,538.00	(0.3)	(0.6)	(0.6)	(11.1)	3.00	16,099.9	10.7	0.7	7.0
Bahrain	1,436.36	0.7	0.6	0.6	(10.8)	1.92	21,895.5	13.9	0.9	4.7

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 0.6% to close at 9,701.0. The Industrials and Real Estate indices led the gains. The index rose on the back of buying support from Qatari, GCC and Arab shareholders despite selling pressure from Foreign shareholders.
- Qatar Cinema & Film Distribution Company and Aamal Company were the top gainers, rising 10.0% and 9.9%, respectively. Among the top losers, Ooredoo fell 1.5%, while Qatar Electricity & Water Company was down 0.4%.
- Volume of shares traded on Tuesday rose by 16.9% to 245.8mn from 210.3mn on Monday. However, as compared to the 30-day moving average of 277.2mn, volume for the day was 11.3% lower. Investment Holding Group and Mazaya Real Estate Development were the most active stocks, contributing 22.8% and 13.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	42.88%	44.08%	(4,603,390.6)
Qatari Institutions	22.12%	19.46%	10,175,933.6
Qatari	**65.00%**	**63.55%**	**5,572,543.0**
GCC Individuals	0.85%	0.93%	(298,672.4)
GCC Institutions	1.58%	1.32%	972,387.3
GCC	**2.43%**	**2.25%**	**673,714.9**
Arab Individuals	14.33%	13.67%	2,535,856.9
Arab	**14.33%**	**13.67%**	**2,535,856.9**
Foreigners Individuals	5.12%	3.44%	6,417,443.0
Foreigners Institutions	13.13%	17.09%	(15,199,557.9)
Foreigners	**18.24%**	**20.53%**	**(8,782,114.8)**

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

Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2020	% Change YoY	Operating Profit (mn) 3Q2020	% Change YoY	Net Profit (mn) 3Q2020	% Change YoY
Saudi Aramco (Billion)	Saudi Arabia	SR	200.1	-24.8%	96.1	-41.9%	44.2	-44.6%
National Industrialization Co.	Saudi Arabia	SR	555.3	-30.6%	68.3	-63.7%	(49.2)	N/A
Taiba Investments Co.	Saudi Arabia	SR	61.4	-55.4%	(17.5)	N/A	(23.5)	N/A
Mobile Telecommunications Company Saudi Arabia	Saudi Arabia	SR	1,928.0	-4.0%	138.0	-63.3%	60.0	-50.4%
Malath Cooperative Insurance Co.	Saudi Arabia	SR	153.6	-0.5%	–	–	7.8	277.7%
Arabian Centres Co.	Saudi Arabia	SR	464.8	-16.9%	210.3	-32.0%	111.1	-46.6%
Al Rajhi Company for Cooperative Insurance	Saudi Arabia	SR	703.8	20.6%	–	–	3.4	-43.1%
AYYAN Investment Co.	Saudi Arabia	SR	65.9	9.4%	2.1	306.1%	10.6	237.9%
Maharah Human Resources Co.	Saudi Arabia	SR	342.1	-11.5%	47.5	-41.6%	48.1	-40.0%
Alahli Takaful Co.	Saudi Arabia	SR	62.4	13.3%	–	–	(0.6)	N/A
Chubb Arabia Coop. Insurance Co.	Saudi Arabia	SR	40.5	12.1%	–	–	2.0	-18.7%
Southern Province Cement Co.	Saudi Arabia	SR	426.0	49.0%	160.0	66.7%	150.0	66.7%
Arabian Scandinavian Ins. Takaful	Dubai	AED	23.6	-32.3%	–	–	9.1	20.3%
Dubai Investments	Dubai	AED	768.3	11.1%	–	–	213.1	102.0%
Al Ramz Corporation Investment and Development	Dubai	AED	4.5	43.8%	–	–	20.4	450.7%
Gulf Cement Co.*	Abu Dhabi	AED	259.5	-23.9%	–	–	(268.1)	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Billions, *Financial for 9M2020)

News

Qatar

- **Qatar builds its 2021 budget on $40 oil, below market projections –** Qatar will base its budget on an oil price of $40 a barrel, below what markets expect, as the gas-rich Gulf nation seeks to reduce the impact on its finances, according to its ruler. The move will help Qatar avoid negative economic consequences due to oil-price volatility, Emir Sheikh Tamim bin Hamad Al Thani told members of the country's legislative body, the Shura Council. Early results showed that the budget deficit for the first half of the year is QR1.5bn despite expectations it would be much higher, he said. At the beginning of the year, the government planned to run a slight surplus on the assumption that oil would average $55 a barrel, and the International Monetary Fund predicted an even rosier outlook. But Qatar, which has faced a trade and political boycott by three of its Gulf neighbors since 2017, has had to prop up businesses and guarantee wages during the coronavirus pandemic with its revenues diminished by the collapse in energy prices. Still, the wealthy peninsula has managed the economic headwinds better than others in the region thanks to massive fiscal buffers. Brent is expected to average $48.90 a barrel next year and $50 in the final quarter of 2021, according to the consensus of analysts surveyed by Bloomberg. Qatar's economy had its worst performance since at least 2012 during the second quarter amid lockdown measures to combat the coronavirus. The IMF projects gross domestic product will fall 4.5% this year, the smallest contraction among Arab Gulf states. Qatar's budget deficit is projected to equal 7.2% of GDP this year, according to a Bloomberg survey of five economists whose forecasts varied widely. (Bloomberg)
- **Amir: Shura Council elections to be held in October 2021 –** Preparations for the Advisory (Shura) Council elections are in final stages. The elections will be held in October next year, His Highness the Amir of State of Qatar Sheikh Tamim bin Hamad Al Thani has announced. "These elections will take place, God willing, in accordance with the constitution and a referendum was held in 2003 and was promulgated in 2004. Thus, we are taking an important stride to strengthen the traditions of the Qatari Shura and developing the legislative process through a wider participation of citizens," HH the Amir said while inaugurating the 49th ordinary session of the Shura Council. (Qatar Tribune, Gulf-Times.com)
- **QALEX signs agreement to purchase the assets of ALUNOOR –** Qatar Aluminium Extrusion Company (QALEX) signed an agreement to purchase the assets of Abdulnoor Aluminium Extrusion Factory (ALUNOOR), which was duly signed by QALEX's Chairman, Abdul Rahman bin Abdullah Al Ansari and ALUNOOR's Chairman, Jassim Abdul Noor. This deal was financed in cooperation with QDB (Qatar Development Bank, who showed full cooperation as part of their mission to support small and medium enterprises and industrial sectors in general within Qatar, by increasing QALEX's paid-up capital - through a call-up from the authorized capital of QR100mn from the partners of QALEX. The partners of QALEX are: Qatar Industrial Manufacturing Company (QIMD), in collaboration with other leading companies such as; Salam International Investment Limited (SIIS), Aluminium Technology and Auxiliary Industries (ALUTEC), Qatar Belgium Aluminium Company (QBEL), Qatar Oman Investment Company (QOIS), Qatar Real Estate Investment Co. (ALAQARIA) and Aluminium Gulf Ray (AGR). QALEX was established in 2009 by an authorized capital of QR100mn. QALEX's Chairman, Abdul Rahman bin Abdullah Al Ansari stated that with this deal, QALEX's production capacity will increase to 30,000 metric tons per annum of Aluminum extruded profiles - in all types of finishes (MF, PC, Anod) and colors. (QSE)
- **SIIS successfully completes major projects in Qatar –** Salam International Investment Limited (SIIS) announced the successful completion of major projects of two portfolio companies, Salam Technology and Salam Enterprises, highlighting the strengths, experience and efficiency of the operations and project planning despite the challenges during the COVID-19 pandemic. Earlier this year, Salam Technology successfully completed the biggest IT project in the Middle East budgeted at QR1.3bn. Lead by Salam Technology, and in partnership with 7 other SIIS companies and 3 international IT and Infrastructure Consultants, Salam Technology was able to implement and deliver a fully automated port operations system to the Ministry of Transport of Qatar for the Hamad Port. Salam Enterprises, a portfolio company of SIIIS, is the market lead in providing turnkey interior solution and innovation specialized sectors in Qatar. Despite the various challenges due to COVID-19 pandemic, Salam Enterprises was able to successful complete major fit-out projects across a number of sectors including Healthcare, Hospitality and for the government within Qatar, demonstrating its strong commitment deliver to its clients and contribute to the country's development. (Gulf-Times.com)
- **QCB issues treasury bills for November 2020 –** As part of the Qatar Central Bank's monetary policy initiatives and its efforts to strengthen the financial system as well as to activate the tools available for the open market operations; Qatar Central Bank (QCB) issued on November 3, 2020 treasury bills for three, six and nine months, with a value of QR 600mn, distributed as follows: QR300mn for three months at an interest rate of 0.08%, QR200mn for six months at an interest rate of 0.10% and QR100mn for nine months at an interest rate of 0.13%. (QCB)
- **QPSPP offers November loading naphtha, plant condensate –** Qatar Petroleum for the Sale of Petroleum Products (QPSPP) offered to sell 50k tons of full range naphtha and 25k tons of plant condensate for loading in the last week of November, according to sources. Full range naphtha to load November 29-30 and plant condensate on November 27-28. All cargoes to load from Ras Laffan. (Bloomberg)
- **Ideematec solar tracker to be installed in Al-Kharsaah plant –** Ideematec, a leading global supplier of solar tracking systems, on Tuesday announced that its innovative clean technology, the world's largest single-axis solar tracker, will be installed in Qatar's landmark solar facility aimed at helping Qatar meet its target of supplying 10% of peak electricity demand in the country. The company will supply 800 megawatts (MW) of its Bifacial optimized Horizon Plus solar tracker for Qatar's solar power plant, one of the world's biggest using a two-in-portrait (2P) single axis tracker. The Al-Kharsaah solar facility, located

approximately 80 kilometers west of the capital Doha, is the third-largest solar plant in the world and the first utility-scale solar project in Qatar. It is on track to be fully operational before the 2022 World Cup as well as support the Qatar National Vision 2030 for sustainable development by facilitating local decarbonization. (Qatar Tribune)

International

- **Global investor group urges US to rejoin Paris climate accord –** A group representing European and US investors with a collective $30tn (£23tn) in assets urged the US to quickly rejoin a global accord to tackle climate change on Wednesday, as a decision by President Donald Trump to leave the pact came into effect. The group, whose members include big investors such as New York-based BlackRock Inc, the world's largest asset manager, warned that the US risked falling behind in the race to create a cleaner global economy by leaving the 2015 Paris Agreement. The coalition of European and some US funds joined other investor groups in Asia, Australia and New Zealand in issuing a joint statement calling for a US return to the Paris pact. The statement was timed for release on Wednesday morning, after US election polls were due to be closed, indicating how the withdrawal from the Paris deal remains a contested issue. Democratic presidential candidate Joe Biden said in the run-up to Tuesday's US presidential election that he would take the country back into the Paris accord. (Reuters)
- **US factory orders rise solidly; outlook uncertain –** New orders for US-made goods increased solidly in September, but further gains could be limited amid an anticipated slowdown in consumer spending as government money for businesses and workers impacted by the COVID-19 pandemic runs out. The Commerce Department said on Tuesday that factory orders rose 1.1% after climbing 0.6% in August. Orders were boosted by increased demand for primary metals, computers and electronic products as well as motor vehicles and fabricated metal products. But orders for machinery, furniture and electrical equipment, appliances and components fell. Economists polled by Reuters had forecast factory orders would rise 1.0% in September. Manufacturing, which accounts for 11.3% of US economic activity, has been boosted by a shift in spending from services toward goods as Americans set up home offices and remote classrooms and avoid public transportation because of the coronavirus. A survey on Monday from the Institute for Supply Management on Monday showed its measure of national factory activity raced to its highest level in nearly two years in October, with new orders surging to their highest level in almost 17 years. But the strong manufacturing sentiment likely overstates the health of the sector. A report from the Federal Reserve last month showed production at factories dropped 0.3% in September and remained 6.4% below its pre-pandemic level. (Reuters)
- **Citi/YouGov: UK public inflation expectations stabilize after jump –** The British public's expectations for inflation held steady in October after a big jump in September when the COVID-19 pandemic flared up again, a survey showed. Expectations for inflation in a year's time stayed put in October at 3.2%, US bank Citi and polling firm YouGov said. The outlook for inflation in five to 10 years' time eased a little to 3.5% from 3.6% in September. "Household inflation expectations remain anchored, but further increases could suggest challenges," economists from Citi said. (Reuters)
- **ECB may cut support for indebted countries in nudge towards EU loans –** The European Central Bank could offer less generous support for indebted governments when it puts together a further stimulus package next month, to push them to apply for European Union loans tied to productive investments, sources told Reuters. The ECB promised last week to introduce more measures in December to help euro zone countries cope with the second wave of the coronavirus pandemic, including new lockdowns that will curtail economic activity. The four sources who spoke to Reuters said policymakers were debating whether the ECB should extend its Pandemic Emergency Purchase Program (PEPP), which gives it unprecedented flexibility in buying bonds from any country in distress, or its regular Asset Purchase Program (APP), under which purchases should mirror the relative size of each country. This is because PEPP has driven down borrowing costs for indebted governments such as Spain and Portugal so much that they are shunning EU loans tied to digital and green investments in favor of raising no-strings cash on the bond market. The composition of the package should be decided at the ECB's December 10 policy meeting and the sources said a compromise could be on the cards, with both PEPP and APP being expanded but the former remaining the main instrument. (Reuters)
- **Schnabel: New ECB stimulus will reflect changed market conditions –** Europe is facing a "marked" economic decline this quarter but fresh stimulus measures from the European Central Bank need to reflect how markets have changed since the spring, ECB board member Isabel Schnabel told German newspaper Handelsblatt. The ECB has all but promised to ramp up stimulus in December as the euro zone enters a pandemic-related lockdown for the second time this year and the debate is only about the exact nature of the measure it will use. "The current situation differs from that in March and that will presumably be reflected in the calibration of the instruments," Schnabel was quoted on Tuesday as saying. "The main objective at that time was to stabilize the financial markets. By contrast, today's financing conditions are favorable in historical terms," she added. A key debate could be whether to expand a 1.35tn Euro emergency bond purchase program or to ramp up other asset buying schemes, which are governed by more stringent rules, sources told Reuters earlier. "After the crisis we must at some point fall back on our conventional toolbox in order to bring inflation to a rate consistent with our price stability mandate. But we're still a long way off from that," she said. She also expressed concern that some banks may be tightening access to credit and argued that the downturn must not be exacerbated by the banking sector. (Reuters)
- **Caixin PMI: China's service sector recovery strengthens in October, hiring picks up –** The recovery in China's service sector activity extended into a sixth straight month in October, an industry survey showed on Wednesday, with hiring picking up to the highest level in a year but overseas demand slipping. The Caixin/Markit services Purchasing Managers' Index (PMI) rose to 56.8 from September's 54.8, the highest reading since June and staying well above the 50-mark that separates monthly

growth from contraction. The services sector, which accounts for about 60% of the economy and half of urban jobs, had initially been slower to return to growth than large manufacturers, but the recovery has gathered pace in recent months. Domestic demand drove activity, with the survey showing new export business received by Chinese services firms slipping further into contraction in October, at the fastest rate since July. But firms hired more for the third month in a row and at the fastest pace since September 2019, indicating a strengthening recovery in a labor market hit hard earlier in the year by measures to curb the spread of the coronavirus. Service firms were highly optimistic about business prospects, with a sub-index for confidence in the year rising to the strongest level since 2012. The official PMI showed activity in China's services sector expanded at the fastest pace since 2013 in October. (Reuters)

- **China's Xi warns of rising risks as party charts course for five years –** Chinese President Xi Jinping, commenting on the ruling Communist Party's recommendations for the next five years, said on Tuesday said the country faces a significant increase in risks. Xi and the Central Committee, the largest of the ruling Communist Party's top decision-making bodies, concluded a four-day meeting on economic and social policy goals for the next five years last month. It was not immediately clear to what risks Xi was referring but China faces rising tensions with the US over issues including trade, Hong Kong, Xinjiang and human rights and economic shocks brought about by the coronavirus pandemic. "At present and over the next phase, China is prone to all kinds of contradictions and risks, and the various risk factors, both foreseeable and unforeseeable, have increased significantly," Xi was quoted by the Xinhua state news agency as saying. Rather than setting a numerical goal to double GDP or per capita income by 2035, China will prioritize optimizing economic structure and development quality, Xi said. However, reaching such goals is "entirely possible", he said, adding that China was set to declare it has achieved the goal of turning the country into a moderately prosperous society in the first half of 2021. China is doubling down on domestic consumption and innovation, while aiming for sustained and healthy economic development, with an emphasis on a higher quality of growth, the party said in a communique last week. China is set to narrowly miss a previous goal of doubling GDP in the decade to 2020, as the economy needs to grow at least 5.6% this year to hit that target. The economy could grow just over 2% this year. (Reuters)
- **RBI exploring investment options for reserves –** The Reserve Bank of India is looking at diversifying its foreign exchange reserve investments amid the fall in global interest rates caused by the COVID-19 pandemic, according to two government sources aware of the development. The RBI's foreign exchange reserves stand at a record $560.63bn. The central bank, which mostly invests in gold, sovereign debt and other risk-free deposits, has seen returns fall as monetary policy loosened globally. US two-year government bonds ended at 0.16% on November 2. As a result, the RBI is likely to increase its gold investments, as well buying dollars and exploring investing in AAA-rated corporate bonds for the first time, said the sources, who declined to be named due to the sensitivity of the issue. The official added that the RBI was studying the possibility of investing in AAA-rated corporate dollar bonds, which offer better returns than sovereign credit. Such investments have not been made in the past, so the central bank would move carefully. Foreign investors have continued to pour money into the Indian stock market because of its stronger returns. Foreign direct investment flows, particularly towards Reliance Industries, have pulled in dollars into the country. Traders say the RBI has been intervening heavily in the spot market to prevent appreciation of the rupee, in turn adding to its reserves. (Reuters)
- **Brazil Central bank minutes show more hawkish view on fiscal risks –** Brazil's central bank could revise its "forward guidance" pledge to keep interest rates low for a long time in the event of fiscal policy altering the country's debt path, even if the government's spending cap rule is kept intact, according to meeting minutes published. The minutes of the Oct. 27-28 meeting of the rate-setting committee, known as Copom, struck a more hawkish tone than the policy statement, which many economists said had played down the recent spike in inflation and growing concern over the public finances. But the minutes showed that the challenges the government faces in reining in its record deficit and debt are weighing more heavily in policymakers' thinking. Increasing fiscal risks could help close the door to any further easing. Brazil's real strengthened sharply in early trading on Tuesday, with the dollar falling more than 1% to 5.67 Reais . Interest rate futures fell and rates curves flattened too. Copom left its benchmark Selic interest rate on hold at a record low 2.00% in October as expected. The minutes published on Tuesday showed that policymakers think rising fiscal risks are beginning to balance out the fact that inflation expectations and forecasts are well anchored "significantly" below target over the next couple of years. (Reuters)

Regional

- **OPEC and Russia study deeper oil cuts –** The OPEC and Russia are considering deeper oil output cuts early next year to try to strengthen the oil market, one OPEC source and one source said. OPEC and allied producers, led by Russia, together known as OPEC+, are scheduled to reduce output cuts of 7.7mn million barrels per day (bpd) by around 2mn bpd from January. But the impact on energy demand of movement restrictions from the second wave of the COVID-19 pandemic is forcing a rethink. "It looks like we will have to cut deeper in Q1," source familiar with Russian thinking said, speaking on condition of anonymity. Producers are "exploring many options beside a rollover (of existing cuts)," the OPEC source said. But the source said a deeper cut would be a "hard call," as it would hand more market share to producers outside OPEC+. (Reuters)
- **Saudi non-oil private sector grows for second straight month –** Saudi Arabia's non-oil private sector expanded for the second consecutive month in October as output grew at a solid pace, though concerns remained over the pace of recovery from the coronavirus pandemic, a survey showed on Tuesday. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) rose to 51.0 in October from 50.7 in September. The 50.0 mark separates growth from contraction. The non-oil private sector shrank each month from March to August, with the exception of July when it held steady at 50.0. "While the latest PMI data indicated a further expansion in the

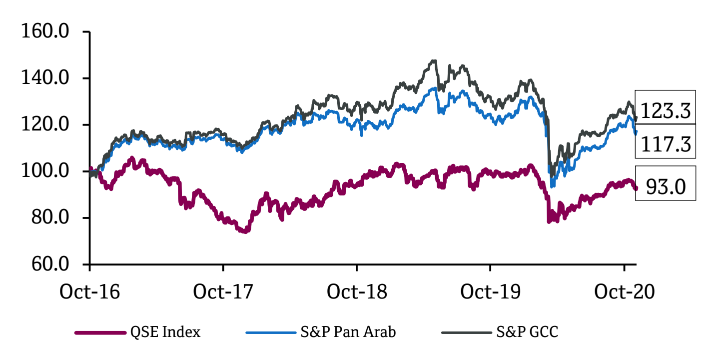
Saudi Arabia non-oil private sector in October, there were reasons for fresh concern about the pace of recovery from the COVID-19 outbreak," Economist at survey compiler IHS Markit, David Owen said. (Reuters)

- **Saudi Aramco third-quarter profit slumps 44.6% as pandemic chokes demand –** Saudi Arabian state oil giant Aramco on Tuesday reported a 44.6% drop in third-quarter net profit as the coronavirus crisis continued to choke demand and weigh on crude prices. Weaker refining and chemicals margins also hit Aramco's net profit, which fell to SR44.21bn for the three months ended September 30, in line with an analyst estimate of SR44.6bn provided by Refinitiv but down from SR79.84bn in the same period of last year. "We saw early signs of a recovery in the third quarter due to improved economic activity, despite the headwinds facing global energy markets," Saudi Aramco Chief Executive Officer, Amin Nasser said in a statement. (Reuters)
- **Saudi shipments jump ~35% MoM in October –** South Korea's total observed oil imports in October increased ~13% from a month earlier, with shipments from Saudi Arabia rising ~35%, according to ship-tracking data compiled by Bloomberg. The October shipments were ~2.64mn bpd, compared with ~2.34mn bpd in September. Imports from the UAE. almost halved, while Qatari shipments doubled. Shipments from Aruba and Singapore, potentially ship-to-ship transfers, were spotted and there was a resumption of Brazilian and Colombian imports. (Bloomberg)
- **SAMBA posts 0.4% YoY rise in net profit to SR1,231mn in 3Q2020 –** Samba Financial Group (SAMBA) recorded net profit of SR1,231mn in 3Q2020, an increase of 0.4% YoY. Total operating profit rose 11.9% YoY to SR2,457mn in 3Q2020. Total revenue for special commissions/investments fell 16.1% YoY to SR1,764mn in 3Q2020. Loans and advances stood at SR154.2bn (+22.9% YoY), while customer deposits stood at SR201.2bn (+21.6% YoY) at the end of September 30, 2020. EPS came in at SR1.73 in 9M2020 as compared to SR1.61 in 9M2019. (Tadawul)
- **SABB's net profit falls 10.5% YoY to SR1,049mn in 3Q2020 –** The Saudi British Bank (SABB) recorded net profit of SR1,049mn in 3Q2020, registering decrease of 10.5% YoY. Total operating profit fell 19.8% YoY to SR2,141mn in 3Q2020. Total revenue for special commissions/investments fell 28.0% YoY to SR1,856mn in 3Q2020. Total assets stood at SR264.0bn at the end of September 30, 2020 as compared to SR258.5bn at the end of September 30, 2019. Loans and advances stood at SR151.9bn (+1.7% YoY), while customer deposits stood at SR180.2bn (-1.8% YoY) at the end of September 30, 2020. Loss per share came in at SR2.35 in 9M2020 as compared to EPS of SR1.22 in 9M2019. (Tadawul)
- **Bahri signs SR300mn pact with Saudi state security –** Bahri has signed a five year framework agreement worth SR300mn to become official transportation provider for state security, according to statement. It will cover transportation and internal, external shipping via air and sea. It sees the impact in 4Q2020. (Bloomberg)
- **Saudi Binladin considers joint ventures, asset sales amid revamp –** The parent company of Saudi Arabia's largest construction conglomerate Saudi Binladin Group said it would explore joint ventures and asset sales as part of its efforts to restructure an estimated $15bn of debt. The Binladin International Holding Group also said in a statement that it wants to pursue opportunities in real estate development with its own land bank, including prime locations in the Kingdom's Holy City of Mecca. The Jeddah-based company is currently attempting one of the Middle East's biggest corporate-debt revamps, for which it is being advised by US investment bank Houlihan Lokey Inc. The government of Saudi Arabia, through the Finance Ministry, owns 36.22% in the holding company. The conglomerate, founded in 1931, was for decades the royal family's favored builder until a deadly accident in Mecca five years ago resulted in it being banned from taking on new projects for about eight months. Its woes were compounded as work across the Middle East dried up in the wake of a slump in oil prices and the economic fallout of the coronavirus pandemic. (Bloomberg)
- **UAE non-oil private sector shrinks for second time in three months –** The UAE's non-oil private sector slipped back into contraction in October for the second time in three months, a survey showed on Tuesday, stunting the country's economic recovery from the coronavirus pandemic. The seasonally adjusted IHS Markit UAE Purchasing Managers' Index (PMI), which covers manufacturing and services, fell to 49.5 in October from 51.0 in September, slipping below the 50.0 mark that separates growth from contraction for the seventh month this year. The new orders sub-index shrank for the first time since May, falling to 49.3 in October from 52.6 in September. "While the decline was mild, it nonetheless showed a stalling of growth momentum after the COVID-19 lockdown. Notably, sentiment amongst businesses towards the 12-month outlook was at a joint-record low as firms remained concerned that the pandemic could further hurt activity and spending," Economist at survey compiler IHS Markit, David Owen said. Companies continued to shed jobs for the 10th consecutive month amid concerns that costs would eclipse revenues, though October's fall in employment was softer than the average for the year to date. Companies cut their work backlogs at the fastest pace since November 2011, with firms signaling that the recovery in output again outstripped that in sales. (Reuters)
- **Kuwait's banking sector records 4.8% hike in private sector deposits –** Private sector deposits in Kuwait's banking sector recorded good growth during the first eight months of this year, reaching 4.8% to record KD38bn. This is the highest historical level ever reached and came as a result of the economic closure and disruption of air and land transportation as well as sharp decrease in consumer spending and increase in the savings, reports Al-Anba daily. It has become clear from analyzing the private sector deposits in Dinars based on the type and maturity that time deposits in Dinars (between a month and a year maturity) formed the largest part of the private sector deposits, equivalent to a contribution rate of 53.4% with a value of KD19.13bn, which is down by 4.3% since the beginning of 2020. The demand deposits (short-term) amounted to about KD10.47bn, or 29% of private sector deposits, all of which are short-term deposits, and have increased by 22% since the beginning of 2020. (Zawya)
- **Kuwait's Jazeera Airways cuts jobs as virus slams travel demand –** Kuwait's Jazeera Airways Co. laid off another 200 employees in September as the coronavirus pandemic

continued to hammer demand for air travel. The airline instituted cost reductions at every level of business, Chief Executive Officer, Rohit Ramachandran said. The layoffs, across all business lines but predominantly pilots and cabin crew, followed the termination of about 300 employees a third of the airline's workforce in March. "We would love to have them back as soon as possible, once the situation improves," Ramachandran said after the airline reported a third-quarter loss of KD5.6mn. "As a prudent business, we have to look at all cost elements." The low-cost airline has also renegotiated leases with all lessors, "which gave us significant cost savings for the year," Ramachandran said, who last month took his first salary since February. Other members of the leadership team took a 50% pay cut, while shareholders agreed to retain dividends due to them in the business, he said. (Bloomberg)

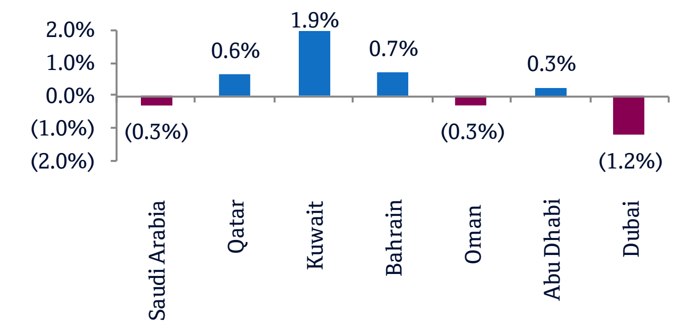
- **Gulf Bank's reports net income of KD6.59mn 3Q2020 –** Gulf Bank reported net income for the third quarter of KD6.59mn, a decrease of 50% YoY. The 3Q2020 operating revenue came in at KD39.2mn, a decrease of 15% YoY. The 3Q2020 operating profit came in at KD25.1mn, a decrease of 9.8% YoY. The 9M2020 profit came in at KD18.4mn, a decrease of 50.6% YoY. It cites lower operating revenue and higher provisions, impairment partially offset by lower operating expenses; stated that results reflect pandemic impact. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,909.17	0.7	1.6	25.8
Silver/Ounce	24.23	0.6	2.4	35.7
Crude Oil (Brent)/Barrel (FM Future)	39.71	1.9	6.0	(39.8)
Crude Oil (WTI)/Barrel (FM Future)	37.66	2.3	5.2	(38.3)
Natural Gas (Henry Hub)/MMBtu	2.84	(5.3)	(6.3)	35.9
LPG Propane (Arab Gulf)/Ton	55.38	1.1	4.5	34.2
LPG Butane (Arab Gulf)/Ton	67.50	2.3	7.6	3.1
Euro	1.17	0.6	0.6	4.5
Yen	104.49	(0.2)	(0.2)	(3.8)
GBP	1.31	1.1	0.9	(1.5)
CHF	1.10	0.8	0.5	6.1
AUD	0.72	1.5	1.9	2.0
USD Index	93.55	(0.6)	(0.5)	(2.9)
RUB	79.36	(1.5)	(0.2)	28.0
BRL	0.17	(0.2)	(0.2)	(30.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,369.27	2.0	3.3	0.5
DJ Industrial	27,480.03	2.1	3.7	(3.7)
S&P 500	3,369.02	1.8	3.0	4.3
NASDAQ 100	11,160.57	1.9	2.3	24.4
STOXX 600	356.01	3.1	4.6	(10.7)
DAX	12,088.98	3.3	5.2	(4.7)
FTSE 100	5,786.77	3.4	4.6	(24.6)
CAC 40	4,805.61	3.2	5.2	(16.2)
Nikkei#	23,295.48	0.0	1.2	2.3
MSCI EM	1,120.88	0.5	1.6	0.6
SHANGHAI SE Composite	3,271.07	1.6	1.7	11.8
HANG SENG	24,939.73	1.9	3.5	(11.1)
BSE SENSEX	40,261.13	1.0	1.5	(6.9)
Bovespa	95,979.70	2.1	2.1	(42.1)
RTS	1,108.15	3.6	3.9	(28.5)

Source: Bloomberg (*$ adjusted returns, #Market was closed on November 03, 2020)

Contacts

Saugata Sarkar, CFA, CAIA
Head of Research
Tel: (+974) 4476 6534
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
Tel: (+974) 4476 6509
shahan.keushgerian@qnbfs.com.qa

Zaid al-Nafoosi, CMT, CFTe
Senior Research Analyst
Tel: (+974) 4476 6535
zaid.alnafoosi@qnbfs.com.qa

Mehmet Aksoy, PhD
Senior Research Analyst
Tel: (+974) 4476 6589
mehmet.aksoy@qnbfs.com.qa

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
PO Box 24025
Doha, Qatar