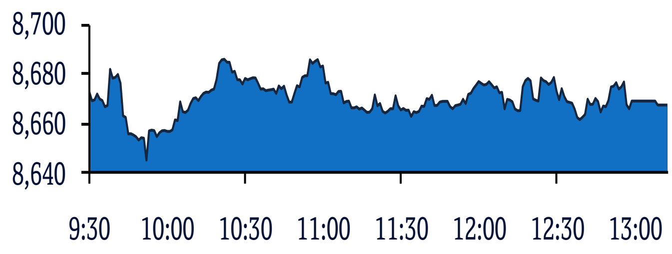
Daily Market Report

Tuesday, 05 May 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.2% to close at 8,668.1. Losses were led by the Telecoms and Industrials indices, falling 0.9% and 0.7%, respectively. Top losers were Qatar Oman Investment Company and The Commercial Bank, falling 9.9% and 1.7%, respectively. Among the top gainers, Alijarah Holding and Qatari German Company for Medical Devices were up 10.0% each.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.2% to close at 6,596.0. Gains were led by the Media &Ent. and Food & Staples indices, rising 6.5% and 4.6%, respectively. Allied Cooperative Insurance and Allianz Saudi Fransi Coop. Ins. were up 10.0% each.

Dubai: The DFM Index fell 1.1% to close at 1,924.7. The Consumer Staples and Disc. index declined 3.7%, while the Real Estate & Construction index fell 2.8%. Ekttitab Holding Co.declined 4.6%, while Al Salam Group Holding was down 4.3%.

Abu Dhabi: The ADX General Index fell 1.7% to close at 4,037.8. The Energy index declined 2.9%, while the Real Estate index fell 2.6%. Emirates Driving Company and Dana Gas were down 5.0% each.

Kuwait: The Kuwait All Share Index fell 1.1% to close at 4,830.4. The Oil & Gas index declined 2.2%, while the Consumer Services index fell 1.6%. National International Co. declined 9.6%, while Mashaer Holding Co. was down 9.5%.

Oman: The MSM 30 Index fell 1.1% to close at 3,500.1. Losses were led by the Financial and Industrial indices, falling 1.3% and 0.6%, respectively. Gulf Investments Serv. declined 8.8%, while Gulf International Chem. was down 6.9%.

Bahrain: The BHB Index fell 0.7% to close at 1,301.0. The Commercial Banks index declined 0.9%, while the Investment index fell 0.7%. AlSalam Bank - Bahrain declined 7.7%, while GFH Financial Group was down 6.3%.

Market Indicators	04 May 20	03 May 20	%Chg.
Value Traded (QR mn)	403.5	244.2	65.2
Exch. Market Cap. (QR mn)	490,312.0	490,343.9	(0.0)
Volume (mn)	275.3	187.9	46.6
Number of Transactions	11,576	6,457	79.3
Companies Traded	46	45	2.2
Market Breadth	18:24	18:27	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	16,664.06	(0.2)	(1.1)	(13.1)	13.7
All Share Index	2,695.03	(0.2)	(0.9)	(13.0)	14.2
Banks	3,811.06	(0.6)	(1.5)	(9.7)	12.4
Industrials	2,279.99	(0.7)	0.1	(22.2)	18.1
Transportation	2,694.15	2.9	1.5	5.4	13.1
Real Estate	1,331.50	3.7	1.4	(14.9)	13.2
Insurance	1,995.80	(0.7)	(0.8)	(27.0)	33.7
Telecoms	814.35	(0.9)	(4.4)	(9.0)	13.7
Consumer	7,007.16	0.0	(0.2)	(19.0)	17.9
Al Rayan Islamic Index	3,398.67	0.1	(0.8)	(14.0)	15.7

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Qatar Gas Transport Co.	Qatar	2.62	5.6	20,550.6	9.6
Yanbu National Petro. Co.	Saudi Arabia	44.25	5.4	761.4	(20.8)
Rabigh Refining & Petro.	Saudi Arabia	12.94	4.9	3,661.1	(40.3)
Kingdom Holding Co.	Saudi Arabia	6.32	2.8	574.9	(16.3)
Barwa Real Estate Co.	Qatar	2.82	2.7	6,965.4	(20.4)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Cement Co.	Saudi Arabia	45.30	(4.5)	487.7	(35.4)
Arabian Centres Co Ltd	Saudi Arabia	20.74	(4.2)	937.7	(28.9)
Emaar Malls	Dubai	1.18	(4.1)	18,739.1	(35.5)
Abu Dhabi Comm. Bank	Abu Dhabi	4.15	(3.7)	7,512.5	(47.6)
Banque Saudi Fransi	Saudi Arabia	28.05	(3.4)	696.5	(26.0)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Alijarah Holding	0.74	10.0	19,178.2	4.5
Qatari German Co. for Med. Dev.	1.11	10.0	7,634.7	91.2
Ezdan Holding Group	0.79	6.3	56,181.7	28.8
Qatar Gas Transport Co. Limited	2.62	5.6	20,550.6	9.6
United Development Company	1.11	5.0	10,250.4	(27.2)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.79	6.3	56,181.7	28.8
Investment Holding Group	0.50	(0.6)	28,370.4	(11.7)
Aamal Company	0.62	3.3	25,414.4	(23.5)
Qatar Gas Transport Co. Limited	2.62	5.6	20,550.6	9.6
Alijarah Holding	0.74	10.0	19,178.2	4.5

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Oman Investment Co.	0.58	(9.9)	17,969.7	(12.9)
The Commercial Bank	3.84	(1.7)	2,329.4	(18.4)
Mannai Corporation	2.96	(1.7)	9.9	(3.9)
Industries Qatar	6.99	(1.4)	1,021.2	(32.0)
Qatar Islamic Insurance Company	6.01	(1.2)	76.4	(10.1)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.01	(0.5)	52,892.2	(17.4)
Qatar Gas Transport Co. Limited	2.62	5.6	52,774.4	9.6
Ezdan Holding Group	0.79	6.3	43,093.1	28.8
Barwa Real Estate Company	2.82	2.7	19,468.2	(20.4)
Ooredoo	6.10	(1.0)	16,544.2	(13.8)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	8,668.06	(0.2)	(1.1)	(1.1)	(16.9)	110.10	133,708.1	13.7	0.8	4.6
Dubai	1,924.71	(1.1)	(5.0)	(5.0)	(30.4)	87.25	76,462.0	7.4	0.7	6.5
Abu Dhabi	4,037.83	(1.7)	(4.6)	(4.6)	(20.4)	34.65	124,253.7	11.7	1.2	6.5
Saudi Arabia	6,595.97	0.2	(7.3)	(7.3)	(21.4)	1,309.82	2,035,870.4	26.7	1.6	3.9
Kuwait	4,830.36	(1.1)	(2.9)	(2.9)	(23.1)	81.04	89,931.3	13.6	1.1	4.4
Oman	3,500.08	(1.1)	(1.1)	(1.1)	(12.1)	1.80	15,250.0	8.6	0.8	7.0
Bahrain	1,300.96	(0.7)	(0.7)	(0.7)	(19.2)	2.19	20,254.2	9.3	0.8	5.5

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any)

Qatar Market Commentary

- The QE Index declined 0.2% to close at 8,668.1. The Telecoms and Industrials indices led the losses. The index fell on the back of selling pressure from non-Qatari shareholders despite buying support from Qatari and GCC shareholders.
- Qatar Oman Investment Company and The Commercial Bank were the top losers, falling 9.9% and 1.7%, respectively. Among the top gainers, Alijarah Holding and Qatari German Company for Medical Devices were up 10.0% each.
- Volume of shares traded on Monday rose by 46.6% to 275.3mn from 187.9mn on Sunday. Further, as compared to the 30-day moving average of 160.5mn, volume for the day was 71.6% higher. Ezdan Holding Group and Investment Holding Group were the most active stocks, contributing 20.4% and 10.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	40.15%	39.84%	1,273,430.23
Qatari Institutions	23.46%	17.50%	24,038,159.90
Qatari	**63.61%**	**57.34%**	**25,311,590.14**
GCC Individuals	0.79%	1.04%	(1,017,772.42)
GCC Institutions	1.27%	0.33%	3,807,571.06
GCC	**2.06%**	**1.37%**	**2,789,798.65**
Non-Qatari Individuals	16.01%	14.59%	5,734,652.72
Non-Qatari Institutions	18.31%	26.70%	(33,836,041.50)
Non-Qatari	**34.32%**	**41.29%**	**(28,101,388.78)**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2020	% Change YoY	Operating Profit (mn) 1Q2020	% Change YoY	Net Profit (mn) 1Q2020	% Change YoY
Saudi Basic Industries Corp.*	Saudi Arabia	SR	30.8	-17.5%	0.5	-92.2%	(1.0)	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Values in Billions)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05/04	EU	Markit	Markit Eurozone Manufacturing PMI	Apr	33.4	33.6	33.6
05/04	EU	Sentix Behavioral Indices	Sentix Investor Confidence	May	-41.8	-28.0	-42.9
05/04	Germany	Markit	Markit/BME Germany Manufacturing PMI	Apr	34.5	34.4	34.4
05/04	France	Markit	Markit France Manufacturing PMI	Apr	31.5	31.5	31.5
05/04	India	Markit	Markit India PMI Mfg	Apr	27.4	–	51.8

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 1Q2020 results	No. of days remaining	Status
QFBQ	Qatar First Bank	7-May-20	2	Due

Source: QSE

News

Qatar

- **Qatar's central bank foreign reserves rise to QR201.3bn in March –** Qatar's central bank has published Qatar's foreign reserves for March on its website, which showed that international reserves and foreign currency liquidity rose to QR201.3bn from QR200.6bn in February. Qatar's March M2 money supply also rose 7.1% YoY and 4% MoM, while M1 money supply rose 7.7% from year ago and 2.1% MoM. (Bloomberg)
- **HIA cargo operations jump 4.7% in 1Q2020 –** The Hamad International Airport (HIA) handled 529,436 tons of cargo during the first quarter of 2020, which represents 4.7% increase in the global hub's cargo activity in comparison to the same quarter last year. In detail, the HIA handled 176,279 tons in January, 173,248 tons in February and 179,909 tons in March. This increase in cargo is partly attributed to Qatar Airways' and the HIA's continued efforts to provide freighter services in response to the increased demand for essential goods and medical supplies, locally and internationally. National carrier Qatar Airways continues to support worldwide connectivity, re-establishment of the global supply chain, and meeting the market's demand for freight exports and imports through Qatar Airways Cargo, its freight division. This includes the transportation of urgent medical relief aid and humanitarian assistance, which is pivotal to the global fight against the COVID-19 pandemic. The airline continues to operate a significant cargo schedule with approximately 175 freighter and belly-hold passenger flights per day. (Gulf-Times.com)
- **PSA: Qatar's automobile sector posts double-digit expansion in March –** Qatar's automobile sector overall witnessed a double-

digit expansion both YoY and MoM in March despite a substantial fall in new registrations, according to the Planning and Statistics Authority (PSA). The total clearing vehicles were 128,748 units, which represented 14.1% and 22.1% rise both YoY and MoM respectively in the review period. The PSA data revealed that the vehicles renewal stood at 94,193 in March this year, thus recording 31.8% and 45.5% increase on yearly and monthly basis respectively. "Uncertainty in the wake of unfolding COVID-19 has rather prompted people to either defer or cancel plans to purchase new vehicles and also for the used ones," an official of a vehicle dealer said, adding lower bank financing also had its role in dampening the sentiments. The new vehicles' registration stood at 4,294 in March this year, which saw a 31.2% and 28.6% decrease YoY and MoM respectively. The new registration of private vehicles stood at 2,999, thus registering 31.7% and 32.1% decline on yearly and monthly basis respectively in March 2020. Private vehicles accounted for 70% of the new vehicles registered. The new registration of private transport vehicles was 869; constituting 20% of the total in the review period. Such registrations saw 34.2% and 21.9% shrinkage on yearly and monthly basis respectively in March 2020. However, the new registrations of motorcycles grew 11% YoY and MoM to 273 units or 6% of the new vehicles in March this year. (Gulf-Times.com)

- **PSA: Qatar's population reaches around 2.795mn in March –** The total population of Qatar increased to approximately 2.795mn in March this year, compared to approximately 2.760mn in the same month last year, the data of the monthly statistical bulletin issued by the Planning and Statistics Authority (PSA) has revealed. The bulletin showed that 637 building permits were issued in March, with a monthly decrease of 4.1% and annual change of 10.7%. As for the banking sector, the value of money supply reached about QR617.107bn in March, with an annual increase of 7.1% compared to March 2019, while the value of quasi-cash, which includes deposits of commercial banks, amounted to about QR893.381bn, recording an annual increase of 5.5%, as the total deposits at the time reached about QR846.5bn. (Qatar Tribune)
- **Minister: Qatar places special emphasis on developing industrial sector –** Qatar has placed special emphasis on the development of the industrial sector within the framework of its integrated efforts to diversify the national economy and bolster innovation, Minister of Commerce and Industry HE Ali bin Ahmed Al Kuwari has said. In a recent interview with Oxford Business Group (OBG), the minister said, "Qatar is reviewing its policies and developing laws to protect intellectual property rights and facilitate trademark and patent registration. Through these policies, the government seeks to empower local manufacturing companies that employ IT tools, biotechnology, and artificial intelligence in production." In this context, Kuwari said, Qatar is providing incentives to encourage highly-skilled entrepreneurs and investors to enter partnerships that will result in the launch of innovative products and international brands produced in Qatar. "These efforts have resulted in tangible progress on an economic level as Qatar's non-oil GDP has risen by about 9%. Foreign investment inflows increased by 5% in the second quarter of 2019 to QR758.6bn ($208.3bn) as the private sector tapped new investment opportunities in the fields of education, health, transportation, and technology," he said. Kuwari said that Qatar has introduced a wide range of initiatives and revised its legislative framework and business regulations to foster a competitive and investment-friendly business environment. This includes a law on regulating the investment of non-Qatari capital in economic activity that allows foreign investors up to 100% ownership in all economic and commercial activities, he said. (Qatar Tribune)

International

- **Pandemic slams global factories, activity sinks to new lows –** Factory activity was ravaged across the world in April, business surveys showed, and the outlook looked bleak as government lockdowns to contain the new coronavirus pandemic froze global production and slashed demand. The coronavirus has infected more than 3.5 million people globally and killed around 247,000. With the public told to stay home in numerous countries, the global economy is expected to suffer its steepest contraction on record this year as supply chains have been massively disrupted. In a bid to combat the impact of the lockdowns, central banks and governments have unleashed unprecedented levels of fiscal and monetary policy, suggesting that without this conditions could have been even worse. Still, a series of Purchasing Managers' Indexes (PMIs) from IHS Markit across Europe and Asia fell deeper into contraction last month, with many diving to all-time lows and others hitting levels last not seen since the 2008-2009 global financial crisis. A gauge from the US published on Friday showed manufacturing activity plunged to an 11-year low in April as the coronavirus wreaked havoc, suggesting the world's largest economy was sinking deeper into recession. On Monday, IHS Markit's final manufacturing PMI for the Eurozone sank to 33.4, its lowest since the survey began in mid-1997 and far beneath the 50-point line dividing growth from contraction. With shops closed and consumers concerned about their health and employment prospects, demand sank in the bloc to by far the lowest in the survey's history, giving scant hope for an imminent turnaround. It was a similar story from Britain on Friday when its PMI showed manufacturers there suffered their biggest fall in output and orders for at least three decades. (Reuters)
- **Trump administration pushing to rip global supply chains from China –** The Trump administration is "turbocharging" an initiative to remove global industrial supply chains from China as it weighs new tariffs to punish Beijing for its handling of the coronavirus outbreak, according to officials familiar with US planning. President Donald Trump, who has stepped up recent attacks on China ahead of the Nov. 3 US presidential election, has long pledged to bring manufacturing back from overseas. Now, economic destruction and the US coronavirus death toll are driving a government-wide push to move US production and supply chain dependency away from China, even if it goes to other more friendly nations instead, current and former senior US administration officials said. "We've been working on (reducing the reliance of our supply chains in China) over the last few years but we are now turbo-charging that initiative," Keith Krach, undersecretary for Economic Growth, Energy and the Environment at the State Department told Reuters. "I think it is essential to understand where the critical areas are and where critical bottlenecks exist," Krach said, adding that the matter was key to US security and one the government could announce new action on soon. The US Commerce Department, State and

other agencies are looking for ways to push companies to move both sourcing and manufacturing out of China. Tax incentives and potential re-shoring subsidies are among measures being considered to spur changes, the current and former officials told Reuters. "There is a whole of government push on this," said one. Agencies are probing which manufacturing should be deemed "essential" and how to produce these goods outside of China. Trump's China policy has been defined by behind-the-scenes tussles between pro-trade advisers and China hawks; now the latter say their time has come. (Reuters)

- **US Treasury's Mnuchin says Trump eyeing restaurant tax changes, travel boost –** Treasury Secretary Steven Mnuchin on Monday said bipartisan discussions are underway over whether more US government relief funding is needed amid the nation's novel coronavirus outbreak, but that President Donald Trump is focused on taxes and travel. In an interview on Fox Business Network, Mnuchin said the Trump administration was prepared to back additional coronavirus stimulus money for American businesses if needed, but that right now it was carefully monitoring the economy as some states restart activity. Mnuchin said Trump wanted tax changes to make businesses' entertainment expenses "fully tax deductible like it used to be ... to get people to go back to restaurants." "The president's also looking about ways to stimulate travel," he added. "As the economy opens up, I think you'll see demand coming back," for domestic travel, he said, although it's "too hard to tell" if international travel could open up later in 2020. Congress has already passed several major coronavirus relief bills worth nearly $3 trillion during the pandemic, but Democratic lawmakers and both Republican and Democratic governors have called for billions more to help shore up local governments battered by the outbreak as they grapple with infections and historic waves of unemployment. "We've put $3tn out, if we need to put more money out to support American business and American workers, the President's absolutely prepared to do that," Mnuchin said. "We're also going to take into account what the economic impact is as we open up the economy." (Reuters)
- **US factory orders post record drop; orders, inventories shrinking –** New orders for US-made goods suffered a record decline in March and could sink further as disruptions from the novel coronavirus fracture supply chains and depress exports. The report from the Commerce Department on Monday was the latest in a series of increasingly bleak economic data. It also bolstered analysts' views that the economy would struggle to rebound even as parts of the country start to reopen after nationwide lockdowns to slow the spread of COVID-19, the respiratory illness caused by the virus. "This is going to be an extremely difficult first half for manufacturing," said Ryan Sweet, a senior director at Moody's Analytics in West Chester, Pennsylvania. "The coronavirus has significantly disrupted global supply chains." Factory orders dropped 10.3%, the largest decrease since the series started in 1992, after dipping 0.1% in February. Economists polled by Reuters had forecast factory orders would tumble 9.7% in March. Factory orders decreased 2.8% YoY in March. Manufacturing, which accounts for 11% of US economic activity, is, together with the rest of the economy, reeling from nationwide lockdowns to slow the spread of COVID-19. The Institute for Supply Management (ISM) reported on Friday that its measure of national factory activity dropped to an 11-month low in April. The ISM's forward-looking new orders sub-index plumbed to levels last seen in December 2008. (Reuters)
- **Sentix: Eurozone investor morale improves but current situation at record low –** Investor morale in the euro zone improved marginally in May but the assessment of current conditions hit an all-time low as the bloc faces unprecedented challenges posed by the coronavirus crisis, a survey showed on Monday. Sentix's index for the euro zone edged up to -41.8 from -42.9 in April. That compared with the Reuters consensus forecast for a reading of -33.5. The current situation index dropped for a fourth straight month, hitting a record low of -73.0 after -66.0 in April. "The economy in the Eurozone has experienced a breathtaking crash in recent weeks," said Sentix managing director Manfred Huebner. "This collapse goes far beyond the distortions caused by the financial crisis." The expectations index for the bloc rose to -3.0 from -15.8, with Huebner saying this showed investors believed there was light at the end of the tunnel. "Countries like Germany and Austria are in a position to gradually lift the often drastic measures," he said. Germany has been in lockdown for weeks, with companies closing facilities and switching workers to shorter hours under a government scheme aimed at avoiding mass layoffs. But small shops reopened last week. In Germany, the assessment of the current situation fell to a record low but expectations picked up. "There is now a danger that recessionary tendencies will become entrenched if the economy is too slow to recover," Huebner said. Sentix, which surveyed 1,213 investors between April 30 and May 2, said there were signs that the economy in China - where the coronavirus outbreak started - was picking up. (Reuters)
- **PMI: Eurozone manufacturing collapses in April as virus spreads –** Manufacturing activity in the euro zone collapsed last month as government-imposed lockdowns to stop the spread of the new coronavirus forced factories to close and consumers to stay indoors, a survey showed on Monday. The coronavirus has infected more than 3.5 million people globally and killed around 247,000 so with citizens told to stay at home economic activity has plummeted and supply chains have been massively disrupted. IHS Markit's final Manufacturing Purchasing Managers' Index (PMI) for the Eurozone sank to 33.4 from March's 44.5, its lowest since the survey began in mid-1997, below an earlier flash reading of 33.6 and significantly below the 50 mark separating growth from contraction. An index measuring output, which feeds into a composite PMI due on Wednesday and seen as good indicator of economic health, sank to a survey low of 18.1 from 38.5. The slump came despite the European Central Bank easing policy and ramping up its quantitative easing program alongside unprecedented amounts of fiscal stimulus from governments to help an economy ravaged by the pandemic. With shops closed and consumers concerned about their health and employment prospects, demand sank last month to by far the lowest in the survey's history. The new orders PMI came in at 18.8, almost half March's already weak reading of 37.5. (Reuters)

Regional

- **OPEC Middle East oil flows surged in April as Saudis opened taps –** Crude supplies from OPEC's Middle East exporters, excluding Iran, soared in April to their highest level since at least January

2017. The surge came as Saudi Arabia and the UAE abandoned restraint and boosted production after OPEC and its allies failed to agree on deepening output cuts in early March. Saudi Arabia, Iraq, Kuwait and the UAE, which together account for about 70% of the OPEC entire production, together shipped an average of 18.9mn bpd of crude and condensate last month, tanker-tracking data compiled by Bloomberg show. That was an increase of 2mn bpd from revised March levels. Saudi shipments in April rose by 1.95mn bpd, or 26%, from their March level, averaging 9.36mn. That was the most the Kingdom has ever exported on a monthly average basis and was prompted by the collapse of the OPEC+ alliance, which failed to secure Russia's participation in deeper curbs. Flows from the country's Yanbu terminal on its Red Sea coast rose by about 36% to 1.53mn bpd, with shipments continuing to go into storage tanks on Egypt's Mediterranean coast. Exports from the UAE also rose in April, as the country followed Saudi Arabia in boosting production. Shipments exceeded 3.5mn bpd of crude and condensate, an increase of 250,000 bpd, or 8%, from March. (Bloomberg)

- **Knight Frank: London property sales intact for Middle Eastern investors –** The COVID-19 clauses and growth of owner-occupiers keep London property sales intact for Middle Eastern and global investors. The inclusion of "Coronavirus Event" clauses in contracts and the relative increase of owner occupiers over investor-landlords have kept the majority of sales transactions intact, global property agency and consultancy company Knight Frank has said. One in five property sales underway in London when the COVID-19 pandemic struck have fallen through, meaning the vast majority of buyers and sellers have held their nerve. While government restrictions mean that physical viewings are not allowed, COVID-19 clauses are among a number of measures being used to ensure that most transactions are, for now, holding together. "There is a surprising amount of activity in the London market", Head of London International Projects Sales MENA at Knight Frank Middle East, Henry Faun said who confirmed that 80% of transactions were still set to happen. (Peninsula Qatar)
- **Saudi Aramco says operations, supply chains uninterrupted despite coronavirus –** Saudi Aramco said on Monday that its operations and supply chains were uninterrupted despite the outbreak of the new coronavirus. Saudi Aramco said, "Our inbuilt systems for managing global crises ensure all our sites remain operational. Our supply chains also remain uninterrupted, as we continue to work with our partners to ensure safe delivery of materials. In our response to COVID-19, we have implemented measures to reduce the risk of infection and to mitigate the virus's impact on our people and our business." Saudi Arabia has suspended international flights and imposed curfews nationwide to limit the spread of the new coronavirus. On Sunday, the Kingdom started isolating an industrial area of the city of Dammam, in the oil producing Eastern Province, where Saudi Aramco's headquarters is based, to curb the spread of coronavirus, state news agency SPA reported. (Reuters)
- **SABIC has no interest in full takeover of Clariant –** Saudi Basic Industries Corp (SABIC) has no interest in taking over Swiss chemicals company Clariant despite hiking its stake in the company, its Chief Executive, Yousef Al-Benyan told an earnings briefing on Monday. In March, SABIC disclosed it had raised its stake in Clariant to 31.5% from 25%, saying the increase was part of its strategy to achieve a leadership position in the Specialties business. SABIC expects a more significant impact on its business from the coronavirus pandemic in the second quarter, he said after the company reported a loss in the first quarter. He told an earnings briefing that the company expects current circumstances will last until the end of 2020, as the coronavirus has hurt global economic growth and dampened energy prices, leading to a decline in petrochemical prices. SABIC, the world's fourth-biggest petrochemicals firm, reported a net loss in the first quarter of SR950mn, citing impairment losses on assets and lower demand for its products in the wake of the coronavirus pandemic and said it will suspend all capital expenditures barring those for late-stage projects and necessary operations. (Zawya, Reuters)
- **Advanced Petrochemical Company sees drop in polypropylene sales –** Demand for polypropylene, which is used in the manufacture of a wide range of consumer and industrial products, has declined recently as disruptions caused by the coronavirus pandemic put a damper on global demand. Sales volume of polypropylene fell by 8% during the first quarter of 2020, while prices dropped 10.3%, Saudi Arabia's Advanced Petrochemical Company (Advanced) reported on Monday. The decline, along with other factors, has impacted the petrochemical giant's net profit for the quarter, which dropped by 35.6% to SR104.3mn compared to the same period in 2019 and by 45.7% compared to the last three months of 2019, the company said in a statement to the Saudi bourse. Overall, the petrochemical company's sales/revenues dropped 17.5% YoY to SR534.52mn. According to analysts, the coronavirus pandemic has impacted the plastics manufacturing chain, with some companies having to halt or slow down production. Demand for polypropylene is expected to decline by 2.1mn tons this year as the world economy grapples with the financial impact of the coronavirus pandemic, according to a report by ICIS, a commodity intelligence services provider. "Polypropylene (PP) and other polymers such as polyurethanes that are heavily reliant on durable goods for their final consumption are at risk of suffering," ICIS said in a report. (Zawya)
- **SAMA reassures on reserves as drawdown accelerates –** The Saudi Arabian Monetary Authority (SAMA) said it has enough foreign reserves to meet all foreign obligations and reaffirmed its commitment to maintaining a currency peg to the US Dollar. SAMA said foreign-exchange reserves cover 43 months of imports and 88% of broad-money supply, according to a statement on Monday. It also described the Riyal's decades-long peg to the Dollar as a strategic choice. The statement came after Moody's Investors Service on Friday cut the outlook on Saudi Arabia's A1-rated debt to Negative, citing in part a rapid drawdown in reserves. In March alone, the central bank's net foreign assets fell more than SR100bn, the most since at least 2000. (Bloomberg)
- **CBUAE says estimates indicate total real GDP growth reached 1.7% in 2019 –** The Central Bank of the UAE (CBUAE) announced on Monday that estimates indicate that the overall real GDP has grown by 1.7% in 2019, state news agency WAM reported. CBUAE also said that the hydrocarbon sector is estimated to

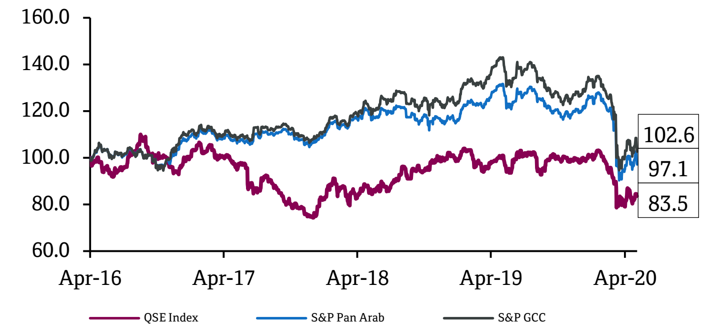
have grown 3.4% in 2019, while non-oil activities advanced at a softer pace growing by 1.0%, WAM reported. "The spread of COVID-19 is expected to impact trade and supply chain movements, coupled with travel restrictions which paves way for high volatility in capital markets and commodity prices. While the outbreak is expected to negatively affect the global and domestic economies, it is still early to gauge the scale of the economic fallout," CBUAE added. (Reuters)

- **Dubai records AED1.3bn property deals in last week of April –** Dubai's real estate sector continues to attract considerable buyer interest despite growing anxiety over the coronavirus outbreak. Around AED1.3bn worth of real estate transactions was recorded in Dubai between April 26 and April 30, according to Dubai Land Department. On Sunday, (May 3), investors poured another AED427mn on property deals, the government agency revealed on its social media. Out of the 300 or more recent transactions registered with the DLD investors snapped flats, hotel rooms and hotel apartments. Buyers also secured office spaces around Dubai. Analyst have said that Dubai's property market is beginning to feel the impact of the coronavirus outbreak, as the strict measures designed to curb the spread of infections, such border closures, and passenger aircraft groundings, are keeping buyers away. Besides, the growing unemployment, income cuts and company closures, coupled with falling oil prices, are also going to have an impact on investor sentiment. "Prolonged economic headwinds mainly due to oil price tensions and the global pandemic are likely to continue to weaken employment growth and spending, which will dampen real estate investment," Asteco said in a new report. (Zawya)
- **UAE's Salama shareholders approve increase in foreign ownership limit –** Shareholders of Islamic Arab Insurance Company (Salama) approved an increase in the company's foreign ownership limit to 49%, from 25% previously. Shareholders of the DFM-listed company also approved the board of directors' recommendation to distribute cash dividends of 3 fils per share for the year 2019. It is the first cash dividend since Salama's IPO. Salama posted a net profit attributable to shareholders of AED54.7mn in 2019, compared to AED2mn in 2018. The company's revenue also increased to AED1.13bn last year, compared to AED1.06bn in 2018. (Zawya)
- **Abu Dhabi's non-oil trade at AED17.79bn in February 2020 –** Abu Dhabi's non-oil foreign trade has increased by 7.2% YoY to around AED17.79bn in February 2020 from nearly AED16.59bn in the same month of 2019. The non-oil exports reached AED4.52bn in February, up by 2.4% from AED4.41bn in the year-ago period, according to the latest data by the Statistics Centre Abu Dhabi (SCAD). Abu Dhabi witnessed an 11.2% drop in re-exports to AED4.01bn in February 2020 from AED4.52bn in the same month of 2019. Imports jumped to around AED9.26bn in February, compared to AED7.66bn in February 2019, increasing by 20.8%. In February, Saudi Arabia topped the export, import, and re-export lists with AED2.15bn, AED1.38bn, and AED1bn, respectively. On a monthly basis, the non-oil trade in Abu Dhabi declined by 7.7% or AED1.5bn to nearly AED17.79bn in February from AED19.29bn in January. During the first two months of 2020, the non-oil trade grew by 3.6 % to AED37.07bn, compared to AED35.79bn in the corresponding period of 2019. (Zawya)
- **Gulf Marine Services rejects Seafox International's $32mn buyout offer –** Abu Dhabi-based Gulf Marine Services (GMS) on Monday rejected a $32mn takeover proposal from its second-largest shareholder Seafox International, saying the offer fundamentally undervalued the oilfield industry contractor. London-listed GMS in March reached an agreement with its syndicate of banks to restructure its debt as it strives to weather a slump in oil industry activity driven by the collapse in crude prices. GMS, which provides support vessels for offshore oil and gas and other energy installations, Seafox's cash offer of $0.09 per ordinary share was made just before the planned conclusion of the documentation of its amended bank facilities. "The board remains highly confident in the future success of the company. Now is not the time for shareholders to sell at a price that is far below the true worth of GMS," its Executive Chairman, Tim Summers said. Seafox said in a separate statement it was requesting shareholders to support its proposal as it offers a substantial premium and certainty amid the challenges GMS faces. The company holds a 13.7% stake in Gulf Marine, according to Refinitiv data. Seafox also warned that if its offer turns unsuccessful, it would not be supportive of any future equity raise by GMS. (Zawya)
- **Kuwait Finance House replaces CEO –** Kuwait Finance House (KFH) said on Monday that its board of directors unanimously decided to remove Mazin Saad Al-Nahedh as CEO effective immediately. In a bourse filing signed by KFH Chairman, Hamad Abdullmohsen Al-Marzouq, the bank said Ahmad Saud Al-Kharji would serve as CEO starting on Tuesday. It gave no reason for the change. Last month, KFH agreed to postpone finalizing its acquisition of Bahrain's Ahli United Bank (AUB) until December due to the coronavirus outbreak. (Reuters)
- **Jazeera Airways has cash for more than two years –** Jazeera Airways Company's Chief Executive Officer, Rohit Ramachandran aid that the company can stay afloat for more than two years at its current cash-burn rate, and warned against the potential result of taking state aid. The discount carrier, the first non-government owned airline in the Middle East, has enough capital for up to 27 months after laying off about 30% of staff after a slump in global air travel because of corona virus crisis, he said. It is in discussions with aircraft lessors to defer or waive payments, he said. (Gulf-Times.com)
- **Oman sells OMR50mn 28-day bills at yield 0.613%; bid-cover at 1.8x –** Oman sold OMR50mn of 28-day bills due on June 3, 2020. Investors offered to buy 1.8 times the amount of securities sold. The bills were sold at a price of 99.953, having a yield of 0.613% and will settle on May 6, 2020. (Bloomberg)
- **Bailed-out Bahrain may need more Gulf support as soon as this year –** Bahrain may need more financial aid from fellow Gulf Arab states as soon as this year but its wealthier neighbors could themselves be hamstrung by low oil prices and the economic impact of the new coronavirus, bankers and analysts said. Bahrain, rated junk by major credit rating agencies, in 2018 received a $10bn aid package over five years from Saudi Arabia, Kuwait and the UAE to help it avoid a credit crunch in a deal tied to fiscal reform. But the US-allied island state, a small oil producer, could need a larger amount than allotted for 2020 to fill bigger financing needs with petroleum prices at $20-$30 a barrel. Bahrain announced in March an $11bn stimulus package

including plans to spend $570mn on private sector salaries to mitigate the coronavirus impact on the economy. “Our estimates point to Bahrain needing additional funding in 2020 from the $10bn support package they got in 2018,” Emerging Market Strategist at Goldman Sachs, Sara Grut said. The Finance Ministry declined to comment about when it expects to receive this year’s tranche of the five-year $10bn aid, which would equal $1.76bn according to official plans announced last year. Bahrain’s fiscal deficit is expected to jump to 15.7% of GDP this year from 10.6% in 2019, according to the IMF. Bahrain’s preliminary estimates in February forecast the 2019 deficit at 4.7% of GDP. A debt banker in the Gulf said Bahrain’s financing gap would be tiny, especially with additional assistance, but that its neighbors’ support might not be so forthcoming this time. Bahrain lacks the ample oil and financial resources of its neighbors, and its state finances are among the weakest in the region. But its Gulf Arab allies have provided political and economic support to maintain its stability over the years due to its importance in countering Iranian influence in the region. (Reuters)

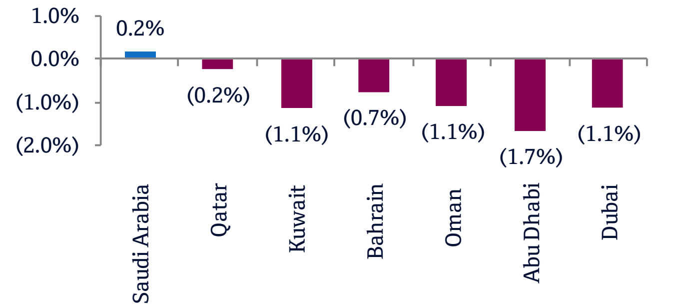
- **Bahrain sells BHD70mn 91-day bills at yield 2.39% –** Bahrain sold BHD70mn of 91-day bills due on August 5, 2020. The bills were sold at a price of 99.401, having a yield of 2.39% and will settle on May 6, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,702.07	0.1	0.1	12.2
Silver/Ounce	14.78	(1.3)	(1.3)	(17.2)
Crude Oil (Brent)/Barrel (FM Future)	27.20	2.9	2.9	(58.8)
Crude Oil (WTI)/Barrel (FM Future)	20.39	3.1	3.1	(66.6)
Natural Gas (Henry Hub)/MMBtu	1.79	5.9	5.9	(14.4)
LPG Propane (Arab Gulf)/Ton	33.75	3.4	3.4	(18.2)
LPG Butane (Arab Gulf)/Ton	28.50	(1.7)	(1.7)	(56.5)
Euro	1.09	(0.7)	(0.7)	(2.7)
Yen	106.74	(0.2)	(0.2)	(1.7)
GBP	1.24	(0.5)	(0.5)	(6.1)
CHF	1.04	(0.4)	(0.4)	0.3
AUD	0.64	0.2	0.2	(8.4)
USD Index	99.48	0.4	0.4	3.2
RUB	74.81	0.6	0.6	20.7
BRL	0.18	(1.0)	(1.0)	(27.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	1,997.75	(0.4)	(0.4)	(15.3)
DJ Industrial	23,749.76	0.1	0.1	(16.8)
S&P 500	2,842.74	0.4	0.4	(12.0)
NASDAQ 100	8,710.72	1.2	1.2	(2.9)
STOXX 600	328.44	(3.4)	(3.4)	(23.3)
DAX	10,466.80	(4.0)	(4.0)	(23.2)
FTSE 100	5,753.78	(0.8)	(0.8)	(28.5)
CAC 40	4,378.23	(4.6)	(4.6)	(28.9)
Nikkei#	19,619.35	0.0	0.0	(15.4)
MSCI EM	887.98	(3.1)	(3.1)	(20.3)
SHANGHAI SE Composite#	2,860.08	0.0	0.0	(7.6)
HANG SENG	23,613.80	(4.2)	(4.2)	(15.9)
BSE SENSEX	31,715.35	(6.5)	(6.5)	(27.6)
Bovespa	78,876.20	(4.1)	(4.1)	(50.8)
RTS	1,099.42	(2.3)	(2.3)	(29.0)

Source: Bloomberg(*$ adjusted returns, #Market was closed on May 04, 2020)

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