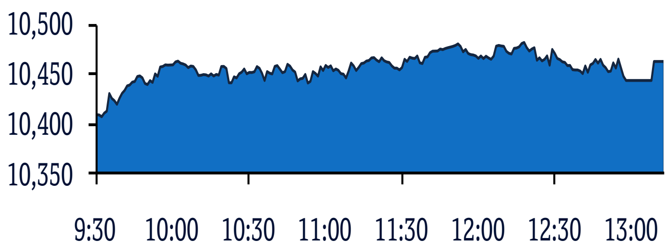
Daily Market Report

Sunday, 06 December 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.7% to close at 10,465.6. Gains were led by the Real Estate and Banks & Financial Services indices, gaining 2.8% and 0.9%, respectively. Top gainers were INMA Holding and Qatari Investors Group, rising 10.0% and 5.8%, respectively. Among the top losers, The Commercial Bank fell 2.2%, while Qatar Insurance Company was down 0.9%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.2% to close at 8,675.0. Losses were led by the Food & Staples Retailing and Utilities indices, falling 2.4% and 1.1%, respectively. Anaam International Holding declined 10.0%, while Saudi Paper Manufacturing Company was down 5.5%.

Dubai: Market was closed on December 03, 2020.

Abu Dhabi: Market was closed on December 03, 2020.

Kuwait: The Kuwait All Share Index gained 1.5% to close at 5,542.6. The Real Estate index rose 2.1%, while the Telecommunications index gained 1.6%. Palms Agro Production Company rose 15.4%, while Tijara & Real Estate Investment Company was up 9.7%.

Oman: The MSM 30 Index gained 0.2% to close at 3,640.0. The Financial index gained 0.3%, while the other indices ended in red. United Finance Company rose 2.8%, while Oman Fisheries was up 1.2%.

Bahrain: The BHB Index gained 0.2% to close at 1,496.5. The Services index rose 0.7%, while the Commercial Banks index gained 0.3%. Nass Corporation rose 4.7%, while Zain Bahrain was up 1.8%.

Market Indicators	03 Dec 20	02 Dec 20	%Chg.
Value Traded (QR mn)	660.9	858.1	(23.0)
Exch. Market Cap. (QR mn)	603,933.9	597,628.8	1.1
Volume (mn)	259.8	391.9	(33.7)
Number of Transactions	15,518	14,669	5.8
Companies Traded	44	47	(6.4)
Market Breadth	32:9	31:13	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,119.85	0.7	1.7	4.9	17.8
All Share Index	3,215.16	0.8	1.7	3.7	18.4
Banks	4,277.34	0.9	1.2	1.3	15.1
Industrials	3,138.84	0.9	2.8	7.1	28.0
Transportation	3,205.64	0.6	(0.6)	25.4	14.6
Real Estate	1,928.09	2.8	5.0	23.2	17.0
Insurance	2,511.99	(0.7)	3.3	(8.1)	N.A.
Telecoms	936.19	0.5	0.9	4.6	14.0
Consumer	8,240.96	0.2	1.2	(4.7)	24.3
Al Rayan Islamic Index	4,289.00	0.9	2.5	8.6	19.6

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ezdan Holding Group	Qatar	1.73	3.0	35,264.0	180.5
Burgan Bank	Kuwait	0.21	3.0	3,275.4	(31.6)
Mabanee Co.	Kuwait	0.66	3.0	4,194.6	(22.7)
Agility Public Wareh. Co.	Kuwait	0.68	2.9	9,036.8	(4.4)
Southern Prov. Cement	Saudi Arabia	79.80	2.2	344.3	23.9

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
The Commercial Bank	Qatar	4.35	(2.2)	2,484.9	(7.4)
Dr Sulaiman Al Habib	Saudi Arabia	113.20	(1.6)	359.6	126.4
Aluminium Bahrain	Bahrain	0.52	(1.3)	618.2	24.4
Saudi Kayan Petrochem.	Saudi Arabia	12.04	(1.3)	7,868.5	8.5
Riyad Bank	Saudi Arabia	20.12	(1.3)	1,094.1	(16.2)

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%
INMA Holding	4.70	10.0	6,758.1	147.1
Qatari Investors Group	1.87	5.8	7,965.3	4.6
United Development Company	1.64	4.0	21,852.7	8.1
Qatar Industrial Manufacturing Co	3.30	3.1	8.5	(7.6)
Ezdan Holding Group	1.73	3.0	35,264.0	180.5

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
The Commercial Bank	4.35	(2.2)	2,484.9	(7.4)
Qatar Insurance Company	2.62	(0.9)	5,320.8	(17.2)
Doha Bank	2.39	(0.8)	2,175.0	(5.4)
Doha Insurance Group	1.36	(0.7)	1,336.4	13.3
Al Meera Consumer Goods Co.	20.99	(0.5)	47.0	37.2

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	1.73	3.0	35,264.0	180.5
Investment Holding Group	0.58	0.3	25,374.6	3.4
United Development Company	1.64	4.0	21,852.7	8.1
Qatar Aluminium Manufacturing	1.01	0.6	15,532.1	28.8
Mazaya Qatar Real Estate Dev.	1.22	0.2	15,484.5	70.1

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.30	1.7	84,896.3	(11.1)
Ezdan Holding Group	1.73	3.0	60,258.8	180.5
Qatar International Islamic Bank	9.00	0.9	45,065.5	(7.0)
United Development Company	1.64	4.0	35,580.4	8.1
Ooredoo	6.80	0.8	34,447.1	(4.0)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,465.64	0.7	1.7	2.0	0.4	178.38	162,760.2	17.8	1.5	3.8
Dubai#	2,419.60	0.8	(0.0)	10.6	(12.5)	161.83	91,677.3	11.3	0.8	4.0
Abu Dhabi#	4,964.94	(0.4)	(0.1)	6.5	(2.2)	348.24	196,896.0	19.2	1.4	4.9
Saudi Arabia	8,674.97	(0.2)	(0.2)	(0.8)	3.4	2,983.54	2,467,334.9	32.8	2.1	2.4
Kuwait	5,542.60	1.5	(0.3)	1.5	(11.8)	281.02	101,630.3	36.7	1.4	3.5
Oman	3,639.99	0.2	0.4	(0.1)	(8.6)	4.37	16,493.9	11.0	0.7	6.9
Bahrain	1,496.54	0.2	2.0	1.3	(7.1)	3.55	22,895.6	14.5	1.0	4.5

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any; #Data as of November 30, 2020)

Qatar Market Commentary

- The QE Index rose 0.7% to close at 10,465.6. The Real Estate and Banks & Financial Services indices led the gains. The index rose on the back of buying support from Foreign shareholders despite selling pressure from Qatari, GCC and Arab shareholders.
- INMA Holding and Qatari Investors Group were the top gainers, rising 10.0% and 5.8%, respectively. Among the top losers, The Commercial Bank fell 2.2%, while Qatar Insurance Company was down 0.9%.
- Volume of shares traded on Thursday fell by 33.7% to 259.8mn from 391.9mn on Wednesday. However, as compared to the 30-day moving average of 252.8mn, volume for the day was 2.8% higher. Ezdan Holding Group and Investment Holding Group were the most active stocks, contributing 13.6% and 9.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	42.25%	47.35%	(33,716,185.2)
Qatari Institutions	15.91%	16.81%	(5,961,803.2)
Qatari	**58.15%**	**64.16%**	**(39,677,988.4)**
GCC Individuals	0.89%	0.83%	373,887.1
GCC Institutions	2.12%	3.24%	(7,405,450.9)
GCC	**3.01%**	**4.07%**	**(7,031,563.8)**
Arab Individuals	9.52%	10.77%	(8,250,155.5)
Arab Institutions	0.00%	0.01%	(84,544.8)
Arab	**9.52%**	**10.78%**	**(8,334,700.3)**
Foreigners Individuals	2.69%	3.18%	(3,251,443.2)
Foreigners Institutions	26.64%	17.82%	58,295,695.7
Foreigners	**29.32%**	**21.00%**	**55,044,252.4**

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

Ratings and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Gulf Insurance Group	Moody's	Kuwait	LTR	–	A3	–	Negative	–

Source: News reports, Bloomberg (* LTR – Long Term Rating)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
12/03	US	Department of Labor	Initial Jobless Claims	28-Nov	712k	775k	787k
12/03	US	Department of Labor	Continuing Claims	21-Nov	5,520k	5,800k	6,089k
12/03	US	Markit	Markit US Services PMI	Nov	58.4	57.5	57.7
12/03	US	Markit	Markit US Composite PMI	Nov	58.6	–	57.9
12/03	US	Institute for Supply Management	ISM Services Index	Nov	55.9	55.8	56.6
12/03	UK	Markit	Markit/CIPS UK Services PMI	Nov	47.6	45.8	45.8
12/03	UK	Markit	Markit/CIPS UK Composite PMI	Nov	49.0	47.4	47.4
12/04	UK	ERROR	Markit/CIPS UK Construction PMI	Nov	54.7	52.0	53.1
12/03	EU	Markit	Markit Eurozone Services PMI	Nov	41.7	41.3	41.3
12/03	EU	Markit	Markit Eurozone Composite PMI	Nov	45.3	45.1	45.1
12/03	Germany	Markit	Markit Germany Services PMI	Nov	46.0	46.2	46.2
12/03	Germany	Markit	Markit/BME Germany Composite PMI	Nov	51.7	52.0	52.0
12/04	Germany	Markit	Markit Germany Construction PMI	Nov	45.6	–	45.2
12/03	France	Markit	Markit France Services PMI	Nov	38.8	38.0	38.0
12/03	France	Markit	Markit France Composite PMI	Nov	40.6	39.9	39.9
12/03	Japan	Markit	Jibun Bank Japan PMI Services	Nov	47.8	–	46.7
12/03	Japan	Markit	Jibun Bank Japan PMI Composite	Nov	48.1	–	47.0
12/03	China	Markit	Caixin China PMI Composite	Nov	57.5	–	55.7
12/03	China	Markit	Caixin China PMI Services	Nov	57.8	56.4	56.8
12/03	India	Markit	Markit India PMI Composite	Nov	56.3	–	58
12/03	India	Markit	Markit India PMI Services	Nov	53.7	–	54.1

Source: Bloomberg (s.a. = seasonally adjusted; n.s.a. = non-seasonally adjusted; w.d.a. = working day adjusted)

News

Qatar

- **FM expresses Qatar's optimism for a solution to Gulf crisis –** HE the Deputy Prime Minister and Minister of Foreign Affairs Sheikh Mohamed bin Abdulrahman Al-Thani, has expressed Qatar's optimism for a solution to the Gulf crisis, and said that "in Qatar we are very positive and always treat any initiative that brings peace in the region positively." With regard to Kuwaiti mediation between Qatar and the four countries, HE Sheikh Mohamed stressed in a video conference with the session of the 6th Rome Forum for Mediterranean Dialogue, that any kind of decisions that will be taken must be a comprehensive solution, and added that Qatar does not distinguish between any countries. He said that Qatar wants to see the GCC united and most importantly, since the beginning of the crisis, Qatar has been calling for a very open dialogue, and also wants to participate constructively with any efforts to resolve and calm tension in the region. He emphasized that the unity of the Gulf will be in the interest of all GCC people, as well as in the interest of the international community. (Gulf-Times.com)
- **Saudi Arabia says resolution of Gulf dispute seems within reach –** Saudi Arabia's Foreign Minister said on Friday a resolution to a bitter dispute with Qatar seemed within reach after Kuwait announced progress towards ending a row that Washington says hampers a united Gulf front against Iran. "We have made significant progress in the last few days thanks to the continuing efforts of Kuwait but also thanks to strong support from President Trump," Saudi Arabia's Foreign Minister, Prince Faisal bin Farhan Al Saud told a Rome conference via video link. "We hope this progress can lead to a final agreement which looks within reach and I can say I am somewhat optimistic that we are close to finalizing an agreement between all the nations in the dispute," the Minister said. A source in Washington familiar with the discussions said a tentative deal had been reached by the parties and that it could be signed in a few weeks. Kuwait's Emir Sheikh Nawaf Al-Ahmad Al-Sabah on Friday welcomed the developments, state-run news agency KUNA said. It quoted him as saying "this agreement has shown that all concerned parties are keen on retaining the pan-Gulf and the pan-Arab solidarity, unity, and stability." The US Secretary of State Mike Pompeo, speaking remotely at a Bahrain summit on Friday, said the US was "very hopeful" that the dispute would be resolved. (Reuters)
- **IPO seen as milestone in QLM growth trajectory, says official –** QLM Life & Medical Insurance Company's (QLM) IPO is seen as one of the company's significant achievements that would propel further growth going forward, according to an official. Group CEO of Qatar Insurance Group (QATI), Salem Khalaf al-Mannai said, "Over the years, QLM has gained a major market share in the life and medical insurance business, and has become one of the leading life and health insurers in the State of Qatar and the wider GCC region. This initial public offering is another milestone on the path towards achieving our growth trajectory." The IPO provides eligible investors with the opportunity to invest in Qatar's largest life and medical insurance company and a regional leader in the sector. Eligible investors include individual Qatari investors, in addition to corporate investors, defined as legal entities incorporated in the Qatar holding a commercial registration certificate issued by the Ministry of Commerce and Industry. The sole selling shareholder, QATI, in addition to QLM's other seven founders, intend to jointly retain 40% of QLM's share capital following the IPO, reflecting their continued support and commitment towards QLM. A number of prominent anchor investors have demonstrated their confidence in the company and its value proposition by committing to subscribe to 15% of QLM's total share capital during the IPO. QLM was the first life and medical insurance company to be set up in Qatar, and is currently the country's leading provider of group life and medical insurance with a dominant market share. (Gulf-Times.com)
- **QFC: Qatar's non-energy sector continues to expand –** Qatar's non-energy private sector economy continued to expand towards the end of 2020, according to the November Purchasing Managers' Index (PMI) survey data. The rates of expansion in business activity, backlogs and employment all accelerated during the month, while new business registered another marked increase and the 12-month outlook for output remained positive. The PMI rose to 52.5 in November, from 51.5 in October, to signal an improvement in operating conditions in the non-energy private sector. The latest reading was the seventh-highest on record since the series began in April 2017, compared with a long-run average of 49.6. The rise in the headline figure in November reflected stronger positive contributions from the output and employment indicators. Output rose at the fastest rate since August, while the rate of job creation was the strongest since January 2019 that marks a return to pre-pandemic trends. Employment rose to 52.7 vs 50.4 in October, which is also the highest reading since January 2019 and second consecutive month of expansion. At the sector level, operating conditions strengthened the most in manufacturing this November, followed by construction and wholesale and retail respectively, while operating conditions at service providers were running in line with the long-run survey trend. Manufacturing registered the strongest rise in output among the four main sectors monitored, while construction companies posted the sharpest expansion in jobs. Manufacturers' output is primarily destined to foreign markets, many in East Asia, where the effects of the pandemic have been milder than in Europe or the US. (Qatar Tribune, Bloomberg)
- **PPI for Qatar's industrial sector sees 5% increase in October –** The producer price index (PPI) for Qatar's industrial sector saw a robust 5% MoM increase in October 2020, mainly lifted by higher average selling prices, especially for hydrocarbons and certain manufactured products as refined petroleum products, basic metals and paper products, according to the Planning and Statistics Authority (PSA). Qatar's PPI, however, saw a 25.7% YoY fall. The mining PPI, which carries the maximum weight of 72.7%, reported a 5.8% growth on a monthly basis in October 2020 as the selling price of crude petroleum and natural gas shot up 5.8%; while that of stone, sand and clay was down 0.5%. The PPI for mining registered 30.7% shrinkage on a yearly basis in October this year on the back of a 30.8% slump in the selling price of crude petroleum and natural gas and 8.1% in stone, sand and clay. The manufacturing sector, which has a weight of 26.8% in the PPI basket, witnessed a 3.7% MoM increase in

October this year. The manufacturing sector PPI had seen a yearly 15.3% contraction in October 2020. The utilities group, which has a mere 0.5% weightage in the PPI basket, saw its index zoom 9% on monthly basis as electricity and water selling prices had risen 6.1% and 12.3% respectively in October 2020. The index had seen a 5.3% YoY expansion this October with electricity and water indices gaining 5.1% and 5.7% respectively. (Gulf-Times.com)

- **QTerminals gets Turkey's antitrust approval for Port Akdeniz deal –** Turkey antitrust board approved QTerminals application to take control of Ortadogu Antalya Liman Isletmeleri, or Port Akdeniz, according to statement on regulator's website. Global Ports agreed to sell Port Akdeniz to QTerminals for an enterprise value of $140mn (Bloomberg)
- **Ezdan: Building sales dominate property deals –** The sale of buildings of all types including residences, residential buildings and complexes dominated the weekly property sales market in Qatar generating up to QR171.3mn, or 57.5% of the total sales volume, while land lots generated up to QR126.5mn, or 42.5% of the total sales, said Ezdan Real Estate (Ezdan) in its latest market report. Citing data from the Real Estate Registration Department, the report highlighted that the registered property sales in Qatar from November 22-26 generated a total value of QR297.8mn. The operations were distributed among seven municipalities including Umm Salal, Al Khor, Al Dhakhira, Al Doha, Al Rayyan, Al Shamal, Al Daayen and Al Wakra. Al Daayen municipality acquired the highest deal in terms of value by selling a multi-use land lot in Umm Qarn area at QR23mn. The land lot spans over an area of 1,936 square meters and was sold at QR1,104 per square foot. (Peninsula Qatar)
- **Qatar calls for stronger producer-consumer ties in natural gas market –** Qatar has called for stronger producer-consumer collaboration in the natural gas market for the global economic recovery and said natural gas will continue to be cornerstone in the low-carbon energy transition. "Energy will continue to be key to global growth and development on the road to recovery in the post-COVID world, and that natural gas will continue to be a cornerstone in the low-carbon energy transition," HE the Minister of State for Energy Affairs, as well as the President and Chief Executive of Qatar Petroleum (QP), Saad bin Sherida Al-Kaabi told the 7th Ministerial Gas Forum that was inaugurated and attended by Malaysian Premier Muhyiddin Yassin. The Qatari Minister made these remarks at a virtual roundtable on the "Opportunities in Growing Gas Markets: Producer-Consumer Perspectives on New Realities" as part of the 7th Ministerial Gas Forum, which was organized by the Government of Malaysia in cooperation with the International Energy Forum and the International Gas Union. (Gulf-Times.com)
- **Qatar-EU trade volume touches $7bn in 9 months –** Minister of Commerce and Industry, HE Ali bin Ahmed Al Kuwari said that the trade volume between Qatar and EU members reached $7bn in the first nine months of 2020, which is 12.3% of Qatar's total trade globally. He was speaking during a teleconference meeting held with ambassadors and representatives of EU countries, in the presence of the Director of European Affairs Department at the Ministry of Foreign Affairs, HE Ambassador Salem Abdullah Al Jaber and representatives from the World Trade Organization (WTO). During the meeting, officials discussed strengthening friendly relations between Qatar and the EU and ways to open new horizons for cooperation in areas of common interest. (Peninsula Qatar)

International

- **S&P Global: Global debt to hit $200tn –** Global debt is set to reach $200 trillion, or 265% of the world's annual economic output, by the end of the year, S&P Global has forecast - although it does not expect a crisis any time soon. The credit ratings giant said it amounted to a 14-point rise as a percentage of world GDP, having been amplified by both the economic plunge caused by COVID and the extra borrowing that governments, firms and households have had to resort to. "Global debt-to-GDP has been trending up for many years; the pandemic simply exacerbated the rise," S&P's report said. Yet, despite the big jump and an expected wave of defaults over the coming year, the firm does not expect a major crisis at this stage. "The projected 14% surge in global debt-to-GDP in 2020 is unlikely to cause a near-term debt crisis, provided economies recover, vaccines are widely distributed, interest rates remain very low, and borrowing behavior moderates," the report said. As long as the world economy gets back on its feet after the pandemic, the global debt-to-GDP ratio should ease back to 256% by 2023, S&P said. "We expect the debt growth of corporates, governments, and household to ease as they tend to after recessions," it added. (Reuters)
- **US labor market losing steam as COVID-19 pandemic rages –** The US economy added the fewest workers in six months in November, hindered by a resurgence in new COVID-19 cases that, together with a lack of more government relief money, threatens to reverse the recovery from the pandemic recession. The Labor Department's closely watched employment report also showed 3.9mn people have been out of work for at least six months, with many giving up, a sign of a lack of confidence in the labor market. The report, which only covered the first two weeks of November, when the current wave of coronavirus infections started, underscored the challenges facing President-elect Joe Biden when he takes over from President Donald Trump on January 20. Biden called the report "grim" and urged Congress and Trump to provide additional fiscal stimulus. "Americans need help and they need it now," the president-elect said in a statement. The economy has recouped only 12.4mn of the 22.2mn jobs lost in March and April. Even with a vaccine on the way, economists are warning of a bleak winter. US House of Representatives Speaker Nancy Pelosi said on Friday there was momentum behind talks on a coronavirus relief bill. Nonfarm payrolls increased by 245,000 jobs last month after rising by 610,000 in October. That was the smallest gain since the jobs recovery started in May and the fifth straight monthly slowdown in job growth. Economists polled by Reuters had forecast payrolls would increase by 469,000 jobs in November. Hiring peaked at 4.781mn jobs in June. (Reuters)
- **US factory orders increase more than expected in October –** New orders for US-made goods increased more than expected in October and business investment on capital was a bit stronger than initially thought as the manufacturing sector continues its steady recovery from the pandemic. The Commerce Department said on Friday that factory orders rose 1.0% after

increasing 1.3% in October. Economists polled by Reuters had forecast factory orders increasing 0.8% in October. Manufacturing, which accounts for 11.3% of the US economy, is being supported by a shift in demand towards goods from services because of the COVID-19 pandemic. But there are clouds gathering for the sector. The Institute for Supply Management (ISM) reported this week that its index of national factory activity dropped in November because of the coronavirus. The Commerce Department also reported that orders for non-defense capital goods excluding aircraft, which are seen as a measure of business spending plans on equipment, increased 0.8% in October instead of 0.7% as reported last month. Shipments of core capital goods, which are used to calculate business equipment spending in the GDP report, accelerated 2.4%. They were previously reported to have jumped 2.3%. Business spending on equipment rebounded in the third quarter, ending five straight quarters of decline. The economy grew at a 33.1% rate in the July-September quarter after contracting at a 31.4% pace in the second quarter, the deepest since the government started keeping records in 1947. (Reuters)

- **Biden says jobs report 'grim,' relief package needed now and in January –** US President-elect Joe Biden said in a statement the November US jobs report underlined the need for urgent action on coronavirus relief but that any package passed by Congress now would not suffice and that more would be needed in January. “This is a grim jobs report. It shows an economy that is stalling,” he said, adding he was “encouraged” by bipartisan Senate efforts on a $900bn relief package. “Congress and President Trump must get a deal done for the American people. But any package passed in the lame duck session is not enough. ... Congress will need to act again in January.” (Reuters)
- **PMI: UK construction industry sees biggest rise in orders since 2014 –** Britain’s construction industry grew faster than expected last month, boosted by the strongest orders since 2014 amid a boom in house prices, a survey showed on Friday. The IHS Markit/CIPS construction Purchasing Managers’ Index (PMI) rose to 54.7 in November from 53.1 in October, its strongest since July and above all forecasts in a Reuters poll. An all-sector PMI released at the same time sank to 49.5 from 52.2, its first time below the 50 mark that separates growth from contraction, largely due to weakness in the services sector reported. “UK construction output stayed on a recovery path in November and there were signs that the main growth driver has transitioned from catch-up work to new projects,” IHS Markit’s Economics Director, Tim Moore, said. New orders in the construction industry were the highest since October 2014 last month. Official data showed Britain’s monthly construction output almost halved in April during the first lockdown, and in September it was still 10% below its level a year earlier. But since the end of the first lockdown in June, house prices have risen sharply and lenders have approved the most mortgages since 2007, as buyers seek bigger homes in case of future lockdowns, and to make use of a temporary tax break. This has encouraged house builders to commit to more construction, and November also brought the first growth in civil engineering activity since July. Housebuilders Persimmon and Taylor Wimpey both forecast a strong outlook for 2021 earlier this month. Employment in the sector continued to fall, though by the smallest amount since February, before the start of lockdown, while businesses reported the biggest increase in purchases of raw materials since 2014 and longer delivery times. (Reuters)
- **UK, EU call in leaders to save trade talks –** British and EU negotiators paused trade talks to call in their leaders to try to narrow gaps and get an agreement over the line, less than four weeks before Britain completes its Brexit journey out of the bloc. After failing to agree the basis for a deal, Britain’s David Frost and the EU’s Michel Barnier said they would brief leaders to seek new impetus for the talks, which stumbled on Thursday when London accused Brussels of making new demands. Prime Minister Boris Johnson and European Commission President Ursula von der Leyen will speak to try to break the impasse, which sources said was centered on French demands over fishing rights in British waters. It is the latest twist in what has been months of negotiations which have barely moved on the three thorniest issues - fisheries, ensuring fair competition guarantees and ways to solve future disputes. However, so far neither side has walked away from the talks, suggesting that both still hold out some hope of securing a deal governing almost $1tn of annual trade to avoid a disorderly end to more than 40 years of British membership of the European club. (Reuters)
- **Eurozone business activity shrank in November, but optimism surged –** Eurozone business activity contracted last month as governments across the bloc re-imposed strict lockdowns to quell a second wave of coronavirus infections, but optimism recovered on hopes for a vaccine, a survey showed. The Eurozone’s economy will shrink again this quarter, a Reuters poll predicted, but as a coronavirus vaccine comes closer and with expectations for additional support from the European Central Bank, quarterly growth forecasts for next year were upgraded. IHS Markit’s composite PMI, seen as a good guide to economic health, sank to 45.3 in November from October’s 50.0, the level separating growth from contraction. That was, however, above an earlier flash reading of 45.1. A PMI covering the bloc’s dominant services industry sank to 41.7 from October’s 46.9, marking its third month below the break-even mark. That was its lowest reading since May, when the first wave of the virus was sweeping across Europe. With hospitality venues forced to close, shops to shut and citizens encouraged to stay at home, demand slumped. The services new business index fell to 40.6 from 45.7. Germany’s second lockdown pushed services there deeper into recession, bringing overall private-sector growth in Europe’s largest economy to a near halt. French business activity retreated as the already-suffering service sector was hit particularly hard. Italy’s services industry contracted for a fourth month running. Spain’s also shrank again. (Reuters)
- **German industrial orders rise more than expected in October –** German industrial orders rose more than expected on the month in October, data showed on Friday, raising hopes the manufacturing sector in Europe’s biggest economy started the fourth quarter on a solid footing during a second wave of the COVID-19 pandemic. “Industry is doing well again,” said Jens-Oliver Niklasch, senior economist at Landesbank Baden-Wuerttemberg. “The economic weakness resulting from the

pandemic is more or less the result of the services sector. And this will not change soon." The Federal Statistics Offices said orders for industrial goods rose by 2.9% in seasonally adjusted terms, compared with a Reuters forecast for an increase of 1.5%. September's figure was upwardly revised to an increase of 1.1%. Figures from the Economy Ministry showed domestic orders rose 2.4% on the month while orders from abroad were 3.2% higher. Contracts from the Eurozone increased by 0.5%. A breakdown of the data showed that demand for both capital and intermediate goods had increased while demand for consumer goods had contracted. (Reuters)

- **Japan's Suga defends boost for domestic tourism amid COVID-19 –** Japanese Prime Minister Yoshihide Suga defended on Friday a travel subsidy campaign that some medical groups and experts say has fueled a third wave of coronavirus cases, and said he would finalize the size of an economic stimulus package next week. Opinion polls show Suga's approval ratings have dipped, with many people unhappy with his handling of the pandemic since he became prime minister in September, after his predecessor, Shinzo Abe, stepped down because of ill health. Giving his first news conference since a surge in coronavirus cases last month, Suga said the "Go To Travel" campaign to revive domestic tourism was designed to help small businesses in the hospitality sector get through tough times. "The government moved to promote the domestic travel campaign, seeing that they would not be able to continue their businesses as things were," Suga said. But he added that the government's "biggest responsibility is to protect people's "lives and livelihoods", which is why the campaign had been halted in two cities, and elderly people had been discouraged from travelling to and from Tokyo, where cases have risen sharply. (Reuters)
- **RBI holds rates, says will ensure ample liquidity –** The Reserve Bank of India (RBI) kept its key interest rates steady as widely expected on Friday amid persistently high inflation but said it will ensure ample liquidity is provided to stressed sectors to keep a nascent economic recovery on track. Its monetary policy committee decided to retain an accommodative policy stance at least for the current financial year and into the next to revive growth on a durable basis, while ensuring that inflation remains within target, Governor Shaktikanta Das said in an online briefing. Das said the economy was rebounding faster than expected from a coronavirus-induced slump earlier in the year but warned signs of recovery were far from being broad based. COVID-19 infections are also continuing to climb, with the tally now 9.57mn people. Das said MPC members voted unanimously to hold rates and retain the stance. The key lending rate of the RBI or the repo rate was left unchanged at 4% while the reverse repo rate or the key borrowing rate stayed at 3.35%. Das announced measures to help improve access to funding for stressed sectors and said the RBI will take further steps when necessary to ensure ample rupee liquidity to sustain visible growth impulses, without impacting inflation. "Inflation targeting is uppermost in our agenda," Das said in a post policy news conference. The MPC sees inflation in the current quarter at 6.8% before cooling slightly to 5.8% in the Jan-March quarter. The October projections for H2 FY21 were for inflation between 5.4%-4.5%. The central bank has slashed the repo rate by 115 basis points (bps) since late March to cushion the shock from the coronavirus crisis and sweeping lockdowns to check its spread. However, inflation has remained consistently above the upper end of the RBI's mandated 2%-6% target range every month barring March this year, with core inflation also remaining sticky. (Reuters)
- **Brazil GDP rebounds sharply in third quarter, but stimulus withdrawal looms large –** Brazil's economy grew in the third quarter by the most on record as the easing of anti-coronavirus lockdown measures triggered a strong rebound in activity across most sectors, especially industry and services, while fixed investment jumped sharply. The rebound from the worst of the pandemic prompted a 7.7% increase in gross domestic product from the prior quarter, government statistics agency IBGE said, less than the 9.0% median forecast in a Reuters poll of economists. The rebound means Brazil's economy is now the size it was in early 2017, after the record second-quarter plunge shrunk it to 2009 levels. It is still 7% smaller than at its peak in 2014. The recovery was broad-based: industry grew 14.8%, household consumption 7.6%, fixed investment 11.0% and government spending 3.5%. Services, which account for over two thirds of all activity, grew by 6.3%, IBGE said. Agriculture contracted slightly in the quarter by 0.5%. The rebound shows that the economic hit from the COVID-19 pandemic has been lighter in Brazil than in other major Latin American economies. But that is in large part due to the government's income transfers to millions of poor families, which are due to expire at the end of this year. (Reuters)

Regional

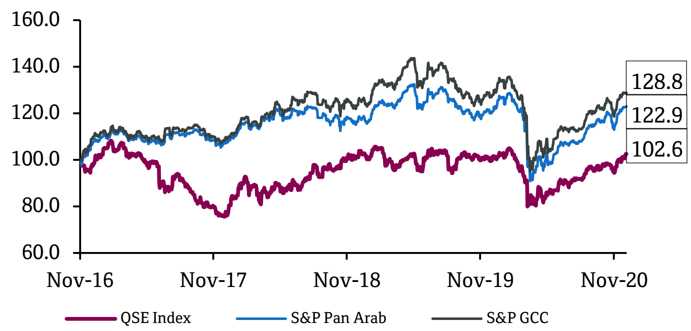
- **OPEC+ agrees slight easing of oil cuts from January –** OPEC and Russia on Thursday agreed to slightly ease their deep oil output cuts from January by 500,000 bpd but failed to find a compromise on a broader and longer term policy for the rest of next year. The increase means the OPEC and Russia, a group known as OPEC+, would move to cutting production by 7.2mn bpd, or 7% of global demand from January, compared with current cuts of 7.7mn bpd. The curbs are being implemented to tackle weak oil demand amid a second coronavirus wave. OPEC+ had been expected to extend existing cuts until at least March, after backing down from earlier plans to boost output by 2mn bpd. But after hopes for a speedy approval of anti-virus vaccines spurred an oil price rally at the end of November, several producers started questioning the need to keep such a tight rein on oil policy, as advocated by OPEC leader Saudi Arabia. OPEC+ sources have said Russia, Iraq, Nigeria and the United Arab Emirates have all to a certain extent expressed interest in supplying the market with more oil in 2021. Russian Deputy Prime Minister, Alexander Novak said the group would now gather every month to decide on output policies beyond January with monthly increases not exceeding 500,000 bpd. (Reuters)
- **Kamco Invest: GCC Islamic banks assets grow faster than those of conventional peers –** Islamic Banks in the GCC were reportedly more resilient as their assets grew faster than those of the conventional peers during 3Q2020, according to Kamco Invest. The total asset growth in the Gulf region's banking landscape has been more due to the Shari'ah principled lenders. The commercial bank's asset growth during the quarter was supported mainly by Islamic banks, whose assets grew 2.6%

QoQ during 3Q2020, compared to 2.1% of the conventional banks. (Gulf-Times.com)

- **Saudi Aramco restores full flow of operations in Jazan's petroleum derivatives distribution station –** Saudi Aramco said on Friday that normal and full flow of operations in the petroleum derivatives distribution station in Jazan has been restored, Saudi state news agency (SPA) reported. SPA reported on Wednesday that a malfunction in one of the pumps at the petroleum derivatives distribution station in Saudi Arabia's southern Jazan region. (Reuters)
- **Saudi Aramco's concession pact with Saudi government sees no amendments –** A concession agreement between Saudi Aramco and the Saudi government did not witness any new amendments, according to private sources cited by Maal news site. The last amendment made in November of 2019 still stands. The agreement made reduces the rate of rent on crude oil production from 20% to 15% as of January 1, 2020. (Bloomberg)
- **Saudi sovereign fund PIF seeks loan of up to $7bn –** Saudi Arabia's sovereign wealth fund is seeking a loan of up to $7bn from banks, its third such debt raising since 2018, sources said. The move comes three months after it paid back a $10bn bridge loan raised last year. Over the last two years, banks have lent billions to the fund, which is the engine of Crown Prince, Mohammed bin Salman's economic transformation plans for Saudi Arabia. The loan will be a revolving facility, allowing PIF to deploy more in the market if needed, one of the sources said. Bloomberg had earlier reported the news. PIF invested over $7bn in US and global stocks in the first quarter, raising its overall exposure to over $10 billion by the second quarter. (Reuters)
- **Saudi non-oil private sector keeps growing as COVID-19 impact eases –** Saudi Arabia's non-oil private sector activity expanded for the third straight month in November as the economy recovers steadily from the impact of the COVID-19 pandemic, a survey showed on Thursday. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) rose to 54.7 in November from 51.0 in October. The 50.0 mark separates growth from contraction. Output growth accelerated driven by an increase in sales, while employment returned to growth for the first time since January, although only fractionally. "A third successive rise in the Saudi Arabia PMI pointed to an economy getting back on its feet in November," said David Owen, economist at IHS Markit. (Reuters)
- **Manila Water Group to operate Saudi's North West facilities –** A consortium of Saur SAS, Miahona Company, and Manila Water signed a management, operation and maintenance contract with Saudi Arabia's National Water for the latter's North West Cluster. Under the deal, group will manage, operate and maintain water and wastewater facilities of Madinah and Tabuk in northwestern Saudi Arabia over a seven-year period. (Bloomberg)
- **Mizuho-backed fund buys stake in Gulf Organic Food Café platform –** Gulf Japan Food Fund, a $390mn private-equity fund backed by Mizuho Financial Group Inc. and Norinchukin Bank, bought a majority stake in a Middle East organic-food retailer. The investment in UAE-based Organic Foods and Café is the eighth by the fund, which is also backed by other investors including members of the GCC, according to an emailed statement Thursday. The terms of the deal were not disclosed. Founded in 2004, Organic Foods and Café sells everything from fresh produce and meat to breads, supplements and household-cleaning supplies through its supermarkets and online store. The company's business unit supplies larder sourced from family-owned farms and companies to other retailers. Organic Foods and Café was advised by deNovo Corporate Advisors and PwC Legal. The fund, which is managed by Mizuho Gulf Capital Partners Ltd., was advised by Morgan, Lewis & Bockius. (Bloomberg)
- **ADNOC sells Murban Crude term supplies for 2021 at $0.10-$0.15/bbl premium –** Abu Dhabi National Oil Co. (ADNOC) sold contractual supplies of Murban crude for 2021 at about a $0.10-$0.15/bbl premium to the grade's OSP, traders said. The company sold term supply of Upper Zakum crude for next year at a similar level to the grade's OSP. (Bloomberg)
- **Agility expects four-month contract to generate revenue of KD10mn –** Agility announced that, its subsidiary, National Aviation Services Co. (NAS), has been awarded by the DGCA, the contract to manage the return of the domestic workers to Kuwait. NAS will provide all logistical and technical services to the returnees starting from the registration process through the electronic platform that NAS will prepare until the quarantine period. is completed in accordance with the requirements of the Ministry of Health. This contract is for four months and will commence in December 2020. The revenue from this contract is expected at KD10mn depending on the number of workers returning to the country. (Press Release)
- **Oman to enact labor, taxation and subsidy reforms, says Minister –** Oman plans to amend labor laws, introduce new taxation and end some "long-standing" subsidies while ensuring that low-income families are protected, the Gulf Arab state's Foreign Minister, Sayyed Badr Al Busaidi said on Saturday. He told the IISS Manama Dialogue summit in Bahrain that significant changes to labor policy would include abolishing a requirement that expatriate workers need permission to transfer to a new employer, which is known as the no-objection certificate system. Low oil prices and the economic slowdown caused by the new coronavirus outbreak are straining the finances of Oman, a relatively small energy producer with debt rated "junk" by all the major rating agencies. New ruler Sultan Haitham bin Tariq al-Said has shaken up the government and state entities, and this week approved introducing value-added-tax in April in a sign to investors - ahead of an international bond sale - that he is open to reforms in a country that saw Arab Spring-like protests in 2011. (Reuters)
- **Bahrain approves Pfizer/BioNTech COVID-19 vaccine –** Bahrain said on Friday it has granted emergency use authorization for the Pfizer/BioNTech COVID-19 vaccine, becoming the second country after Britain to approve it. The Gulf Arab state had also approved Sinopharm's COVID-19 vaccine in November for use by frontline workers. "The approval of the Pfizer/BioNTech vaccine will add a further important layer to the Kingdom's national COVID-19 response," CEO of Bahrain's National Health Regulatory Authority, Dr. Mariam Al Jalahma said. (Reuters)

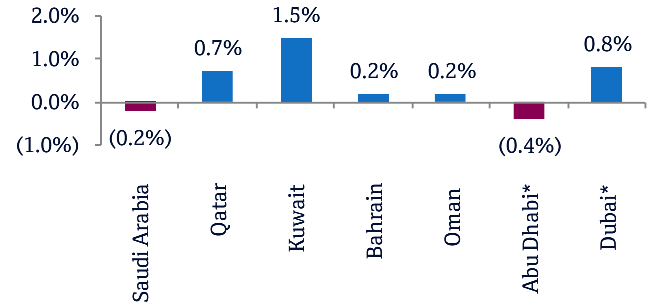
- **Bahrain's economy to bounce back –** Bahrain expects to achieve a growth of five per cent next year. This is based on expectations that the impact of Covid-19 will subside, according to the Finance and National Economy Ministry. The economy has registered a drop of 5.8% this year. The financial and economic statement for the state's general budget draft law 2021-2022 shows Bahrain's oilfield is estimated to produce 46,000 and 43,000 bpd for 2021 and 2022, respectively. The Abu Saafa Oilfield is expected to produce 150,000 barrels daily. Revenues from gas sales are estimated on the basis of an average price of $3.91 and $4 for the two fiscal years. Annual gas production is estimated at 543.5bn cubic feet and 586.5bn cubic feet for the two years, respectively. The total budget allocated for government projects for 2021 and 2022 reached BHD1.312bn covering more than 64 projects, in addition to other projects (BHD530mn from the state's general budget and BHD782.4mn as part of the GCC Development Fund). Housing projects got the largest share (27%), other projects (23%), works and roads (20%), electricity and water network upgrade (15%), sports (6%), education, health and social services (5%), and transport infrastructure (4%). (Zawya)
- **Bahrain says it won't allow imports from Israeli settlements –** Bahrain will not allow the import of Israeli goods produced in settlements in occupied Palestinian territory, state news agency BNA reported, disavowing comments made by the Gulf state's trade minister earlier this week. Bahrain's Industry, Commerce and Tourism Minister, Zayed bin Rashid al-Zayani had voiced openness to settlement imports, adding that Manama would make no distinction between products produced in Israel or in the occupied West Bank and Golan Heights. "The minister's statement was misinterpreted and that the ministry is committed to the Bahraini government's unwavering stance regarding adherence to the resolutions of the United Nations," BNA said late on Friday, quoting an official source from the ministry of industry, commerce and tourism. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg (*Data as of November 30, 2020)

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,838.86	(0.1)	2.9	21.2
Silver/Ounce	24.19	0.5	7.1	35.5
Crude Oil (Brent)/Barrel (FM Future)	49.25	1.1	2.2	(25.4)
Crude Oil (WTI)/Barrel (FM Future)	46.26	1.4	1.6	(24.2)
Natural Gas (Henry Hub)/MMBtu	2.46	(10.5)	10.3	17.2
LPG Propane (Arab Gulf)/Ton	59.25	0.4	7.7	43.6
LPG Butane (Arab Gulf)/Ton	62.25	0.0	(2.7)	(6.2)
Euro	1.21	(0.2)	1.3	8.1
Yen	104.17	0.3	0.1	(4.1)
GBP	1.34	(0.1)	1.0	1.4
CHF	1.12	(0.1)	1.6	8.5
AUD	0.74	(0.2)	0.5	5.8
USD Index	90.70	(0.0)	(1.2)	(5.9)
RUB	74.06	(0.5)	(2.4)	19.5
BRL	0.19	(0.1)	3.6	(22.1)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,639.66	0.7	1.5	11.9
DJ Industrial	30,218.26	0.8	1.0	5.9
S&P 500	3,699.12	0.9	1.7	14.5
NASDAQ 100	12,464.23	0.7	2.1	38.9
STOXX 600	394.04	0.6	1.8	2.5
DAX	13,298.96	0.3	1.3	8.7
FTSE 100	6,550.23	0.8	4.1	(11.8)
CAC 40	5,609.15	0.6	1.8	1.5
Nikkei	26,751.24	(0.4)	0.3	18.3
MSCI EM	1,251.04	0.9	1.7	12.2
SHANGHAI SE Composite	3,444.58	0.2	1.8	20.4
HANG SENG	26,835.92	0.4	(0.2)	(4.3)
BSE SENSEX	45,079.55	1.1	2.4	5.5
Bovespa	113,750.20	0.7	6.4	(23.6)
RTS	1,357.39	1.3	4.2	(12.4)

Source: Bloomberg (*$ adjusted returns)

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