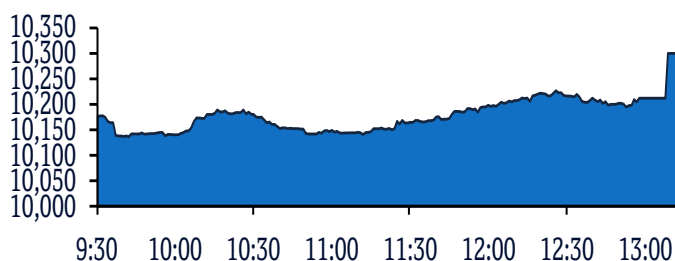


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 1.0% to close at 10,303.7. Gains were led by the Industrials and Banks & Financial Services indices, gaining 1.9% and 1.5%, respectively. Top gainers were Mesaieed Petrochemical Holding Company and QNB Group, rising 4.0% and 2.4%, respectively. Among the top losers, Qatar Navigation fell 2.2%, while Qatar Gas Transport Company Limited was down 1.6%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 1.7% to close at 7,782.3. Gains were led by the Food & Staples and Health Care Equip. indices, rising 8.4% and 2.3%, respectively. Al Kathiri Holding rose 10.0%, while Abdullah Al Othaim Markets was up 9.4%.

**Dubai:** The DFM Index declined 0.7% to close at 2,687.8. The Transportation index fell 1.5%, while the Consumer Staples and Discretionary index declined 1.2%. Amlak Finance fell 5.4%, while Dar Al Takaful was down 4.2%.

**Abu Dhabi:** The ADX General Index gained 0.9% to close at 5,154.1. The Real Estate and Telecommunication indices rose 1.1% each. Al Qudra Holding gained 5.3%, while Sudatel Telecommunications Group Company Limited was up 3.7%.

**Kuwait:** The Kuwait All Share Index fell 0.4% to close at 5,667.9. The Banks index declined 0.6%, while the Real Estate index fell 0.5%. Sanam Real Estate Company declined 10.0%, while Arzan Fin. Group for Financing and Inv. was down 9.7%.

**Oman:** The MSM 30 Index gained 0.1% to close at 4,026.2. Gains were led by the Services and Financial indices, rising 0.3% and 0.2%, respectively. National Gas rose 3.4%, while Majan College was up 2.9%.

**Bahrain:** The BHB Index fell 0.2% to close at 1,518.0. The Industrial index declined 0.5%, while the Services index fell 0.2%. Bahrain Cinema Company declined 6.7%, while GFH Financial Group was down 0.8%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Mesaieed Petrochemical Holding	2.59	4.0	3,168.9	72.3
QNB Group	19.69	2.4	2,384.5	1.0
Al Khaleej Takaful Insurance Co.	2.14	1.9	1,190.1	149.1
Qatar Electricity & Water Co.	16.30	1.9	425.0	(11.9)
Industries Qatar	10.58	1.8	956.2	(20.8)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.31	(1.3)	11,402.5	(24.5)
Ezdan Holding Group	0.64	(0.2)	6,250.8	(50.4)
Aamal Company	0.70	(0.3)	4,654.4	(21.4)
United Development Company	1.36	0.0	3,883.3	(7.8)
Masraf Al Rayan	3.85	1.0	3,721.7	(7.6)

Market Indicators	05 Nov 19	04 Nov 19	%Chg.
Value Traded (QR mn)	210.1	177.3	18.6
Exch. Market Cap. (QR mn)	570,986.8	563,372.8	1.4
Volume (mn)	62.1	88.8	(30.0)
Number of Transactions	4,764	4,389	8.5
Companies Traded	45	43	4.7
Market Breadth	22:14	16:21	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,959.74	1.0	1.1	4.5	15.0
All Share Index	3,041.19	1.2	1.1	(1.2)	15.0
Banks	4,081.02	1.5	2.0	6.5	13.7
Industrials	2,982.94	1.9	1.3	(7.2)	20.5
Transportation	2,577.22	(1.8)	(2.7)	25.1	13.8
Real Estate	1,472.65	(0.0)	(1.3)	(32.7)	11.1
Insurance	2,686.74	0.4	(0.5)	(10.7)	15.5
Telecoms	932.23	0.9	0.4	(5.6)	15.9
Consumer	8,448.12	0.0	(0.0)	25.1	18.7
Al Rayan Islamic Index	3,924.97	0.8	0.3	1.0	16.3

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Banque Saudi Fransi	Saudi Arabia	35.50	5.0	424.1	13.1
Mouwasset Med. Services	Saudi Arabia	86.70	4.5	63.7	7.7
National Comm. Bank	Saudi Arabia	44.90	4.4	1,086.1	(6.2)
Mesaieed Petro. Holding	Qatar	2.59	4.0	3,168.9	72.3
Co. for Cooperative Ins.	Saudi Arabia	71.50	3.8	291.3	18.6

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Emaar Properties	Dubai	4.16	(1.9)	7,148.9	0.7
Qatar Gas Transport Co.	Qatar	2.45	(1.6)	980.7	36.6
Kuwait Finance House	Kuwait	0.67	(1.2)	7,894.3	20.6
Ahli United Bank	Kuwait	0.31	(1.0)	286.3	9.2
GFH Financial Group	Dubai	0.88	(0.9)	7,085.3	(2.2)

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Navigation	6.20	(2.2)	163.3	(6.1)
Qatar Gas Transport Company	2.45	(1.6)	980.7	36.6
Qatar First Bank	0.31	(1.3)	11,402.5	(24.5)
Gulf Warehousing Company	4.86	(1.0)	234.1	26.3
Doha Insurance Group	1.04	(1.0)	0.0	(20.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.69	2.4	46,277.9	1.0
Qatar International Islamic Bank	9.45	0.1	20,229.0	42.9
Qatar Fuel Company	22.17	(0.2)	19,008.1	33.6
Masraf Al Rayan	3.85	1.0	14,258.0	(7.6)
Qatar Islamic Bank	15.50	1.0	11,011.0	2.0

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*	10,303.73	1.0	1.1	1.1	0.0	57.55	156,850.1	15.0	1.5	4.1
Dubai	2,687.77	(0.7)	(2.2)	(2.2)	6.2	44.06	100,350.3	10.6	1.0	4.4
Abu Dhabi	5,154.12	0.9	0.9	0.9	4.9	86.30	142,976.6	15.4	1.4	4.8
Saudi Arabia	7,782.28	1.7	0.5	0.5	(0.6)	755.08	488,034.8	20.0	1.7	3.9
Kuwait	5,667.87	(0.4)	(0.9)	(0.9)	11.6	69.35	106,082.9	13.9	1.3	3.8
Oman	4,026.17	0.1	0.7	0.7	(6.9)	3.18	17,438.7	7.5	0.7	7.5
Bahrain	1,518.03	(0.2)	(0.3)	(0.3)	13.5	4.08	23,690.7	11.5	0.9	5.1

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 1.0% to close at 10,303.7. The Industrials and Banks & Financial Services indices led the gains. The index rose on the back of buying support from GCC and non-Qatari shareholders despite selling pressure from Qatari shareholders.
- Mesaieed Petrochemical Holding Company and QNB Group were the top gainers, rising 4.0% and 2.4%, respectively. Among the top losers, Qatar Navigation fell 2.2%, while Qatar Gas Transport Company Limited was down 1.6%.
- Volume of shares traded on Tuesday fell by 30.0% to 62.1mn from 88.8mn on Monday. Further, as compared to the 30-day moving average of 79.4mn, volume for the day was 21.7% lower. Qatar First Bank and Ezdan Holding Group were the most active stocks, contributing 18.3% and 10.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	21.37%	32.34%	(23,049,263.04)
Qatari Institutions	12.01%	44.71%	(68,727,010.62)
<b>Qatari</b>	<b>33.38%</b>	<b>77.05%</b>	<b>(91,776,273.66)</b>
GCC Individuals	0.73%	4.20%	(7,296,715.70)
GCC Institutions	8.26%	1.89%	13,378,559.82
<b>GCC</b>	<b>8.99%</b>	<b>6.09%</b>	<b>6,081,844.11</b>
Non-Qatari Individuals	8.00%	8.21%	(439,039.65)
Non-Qatari Institutions	49.63%	8.64%	86,133,469.20
<b>Non-Qatari</b>	<b>57.63%</b>	<b>16.85%</b>	<b>85,694,429.55</b>

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

## Earnings Releases and Global Economic Data

### Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2019	% Change YoY	Operating Profit (mn) 3Q2019	% Change YoY	Net Profit (mn) 3Q2019	% Change YoY
SABB Takaful Co.	Saudi Arabia	SR	35.5	-5.3%	-	-	2.3	-2.7%
Saudi Electricity Co.	Saudi Arabia	SR	20,831.0	-5.0%	3,854.0	-35.6%	2,679.0	-45.6%
The Company for Cooperative Ins.	Saudi Arabia	SR	1,422.6	17.8%	-	-	30.4	-14.9%
Arabian Pipes Co.	Saudi Arabia	SR	210.4	13.0%	20.5	N/A	9.2	N/A
Abdullah Al Othaim Markets Co.	Saudi Arabia	SR	1,937.4	11.0%	84.5	87.6%	75.4	38.8%
Abdullah Saad Mohammed Abo Moati for Bookstores Co.	Saudi Arabia	SR	92.6	-0.2%	8.0	-3.5%	5.3	-10.4%
Walaa Cooperative Insurance Co.	Saudi Arabia	SR	282.7	10.0%	-	-	4.0	9.8%
AXA Cooperative Insurance Co.	Saudi Arabia	SR	378.6	-6.9%	-	-	4.7	53.5%
Bawan Co.	Saudi Arabia	SR	525.6	18.4%	12.3	145.8%	3.3	N/A
Umm Al-Qura Cement Co.	Saudi Arabia	SR	64.0	89.8%	25.3	1172.3%	18.9	N/A
Eastern Province Cement Co.	Saudi Arabia	SR	174.0	42.6%	37.0	428.6%	36.0	300.0%
National Metal Manufacturing and Casting Co.	Saudi Arabia	SR	58.1	-42.9%	(44.7)	N/A	(47.1)	N/A
Ras Al Khaima Poultry	Abu Dhabi	AED	4.8	-12.3%	-	-	(3.1)	N/A
Ras Al Khaimah Ceramics	Abu Dhabi	AED	636.0	-5.0%	66.8	3.4%	39.1	1.8%
Zain Bahrain	Bahrain	BHD	15.2	-5.9%	1.5	15.6%	1.3	-5.2%

Source: Company data, DFM, ADX, MSM, TASI, BHB.

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
11/05	US	Markit	Markit US Services PMI	Oct	50.6	51.0	51.0
11/05	US	Markit	Markit US Composite PMI	Oct	50.9	-	51.2
11/05	US	Institute for Supply Management	ISM Non-Manufacturing Index	Oct	54.7	53.5	52.6
11/05	UK	Markit	Markit/CIPS UK Services PMI	Oct	50.0	49.7	49.5
11/05	UK	Markit	Markit/CIPS UK Composite PMI	Oct	50.0	49.5	49.3
11/05	EU	Eurostat	PPI MoM	Sep	0.1%	0.1%	-0.5%
11/05	EU	Eurostat	PPI YoY	Sep	-1.2%	-1.2%	-0.8%
11/05	China	Markit	Caixin China PMI Composite	Oct	52.0	-	51.9
11/05	China	Markit	Caixin China PMI Services	Oct	51.1	51.1	51.3
11/05	India	Markit	Markit India PMI Services	Oct	49.2	-	48.7
11/05	India	Markit	Markit India PMI Composite	Oct	49.6	-	49.8

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

**Qatar**

- **The Amir: Qatar to swing to budget surplus this year** – Qatar will post a budget surplus this year - its first in three years - after a deficit a year ago, the Amir said. Qatar had previously forecast QR4.3bn budget surplus in 2019, after an estimated QR28.1bn deficit in 2018. (Zawya)
- **QCB issues T-bills worth QR600mn in November** – Qatar Central Bank (QCB) has issued Treasury bills (T-bills) for the month of November 2019 worth QR600mn for three, six and nine months. According to a statement issued by QCB on Tuesday, Treasury bond issuances were distributed as follows: QR300mn for three months at an interest rate of 1.73%, QR200mn for six months at a rate of 1.76%, and QR100mn for nine months at an interest rate of 1.81%. QCB's issuance of Treasury bills comes within the framework of its efforts to develop the monetary policy in Qatar and increase its effectiveness, and to contribute to the robustness of the banking and financial system, activate the open market instruments as one of the monetary policy tools, and implement the mechanism of coordination between fiscal and monetary policies. (Qatar Tribune)
- **Ooredoo announces appointment of new CEO for Ooredoo Tunisia** – Ooredoo announced the appointment of Mansoor Rashid Al-Khater as the new CEO of Ooredoo Tunisia, succeeding Youssef Al Masri, effective November 5, 2019. Al-Khater has extensive experience with Ooredoo, having worked with the company since 2009. His most recent role prior to his appointment as CEO, Ooredoo Tunisia was that of Chief Group Strategy Officer. His engineering and business career spans 20 years, including an 11-year stint with Qatar Petroleum, and he currently serves on the Board of Asiaccell, Iraq (a member of Ooredoo Group). Al-Khater holds a Bachelor's degree in Mechanical Engineering from Qatar University, an MBA from Hull University in the UK and a Master's degree from Georgetown University, USA. Al Masri has long-standing experience with Ooredoo, having joined in 1995, holding several senior roles and being appointed CEO of Ooredoo Tunisia in November 2015. He will return to Ooredoo to continue his valuable contribution to the company. (QSE)
- **QAMC joint venture Qatalum appoints Khalid Mohammed Laram as its CEO** – Qatar Aluminium Manufacturing Company (QAMC), a 50% shareholder in Qatar Aluminium Limited (Qatalum), a successful joint venture operating an aluminum smelter in Qatar that produces primary aluminum products, announced that Khalid Mohammed Laram has been appointed as the Chief Executive Officer (CEO) of Qatalum effective November 5, 2019. Khalid Laram has been a member of QAMC's board of directors since its incorporation. He has also been on the board of directors of the Gulf Aluminium Council and was a member of the International Aluminium Institute. In addition, he served as a member of the board of directors of Qatar Steel in 2014. (QSE)
- **Baladna unveils completion of investment in state-of-the-art facilities for fuelling its continued expansion program** – Baladna, a Qatari public shareholding company under incorporation announced that its subsidiary Baladna Food Industries (BFI), has unveiled significant investment in new,

state-of-the art facilities at its Umm Al-Hawaya dairy farm. The investment comes as Baladna has announced an IPO to enable Qatari citizens and corporate to share in the company's rapid growth and expansion. Following the blockade in June 2017, BFI embarked on an extensive program of significant investment in infrastructure development, plant and machinery to increase production capacity and achieve self-sufficiency in its dairy and juice production. BFI's facilities at Umm Al-Hawaya now consist of two separate dairy farms, six milking areas, forty barns, three dairy and juice factories, a plastics factory, an animal feed processing facility, a water treatment facility, and a compost processing facility. Earlier this year, the company expanded production to its newly-built dairy production facility, which has a maximum daily capacity of 500,000-600,000 liters per day, approximately double the production capacity of the existing facilities. (Gulf-Times.com)

- **S'hail Shipping to acquire two more vessels early next year** – Doha-based S'hail Shipping and Maritime Services (S'hail Shipping), one of the fast growing shipping companies in the region, has announced to expand its fleet size. The Qatari maritime company, which specializes in providing dry-bulk transportation services across the world, has announced to buy two more modern vessels to expand its fleet and global operations, according to the company's Chairman. The additional vessels, which are expected to be acquired by early next year, will take the total number of S'hail Shipping's fleet to nine. In May this year, S'hail had signed an agreement to acquire two bulk carriers for a total consideration of QR75mn. Within a short span of time, S'hail Shipping has registered a significant growth despite the blockade given the fact it was established to operate in Gulf waters with an aim to import gabbros and other dry-bulk from neighboring countries, but due to the ongoing blockade, it was compelled to operate internationally. (Peninsula Qatar)
- **India's IndiGo, Qatar Airways to announce strategic deal** – India's largest airline, IndiGo, and Qatar Airways will make a strategic business announcement on Thursday, which media reports stated would involve a codeshare agreement. Qatar has in the past shown interest in investing in IndiGo but the Indian airline has resisted. "We are very interested in IndiGo. We are talking to IndiGo of doing codeshare, joint flights but not yet an equity stake in the airline," Qatar Airways' Chief Executive, Akbar Al Baker, told Reuters in an interview in August. IndiGo, which has about 40% share of the domestic Indian market, is planning an aggressive push into more international destinations. (Zawya)
- **FGE: Qatar condensate production set to rise after 2024 with LNG expansion** – Qatar's condensate production capacity is set to rise to 800,000-900,000 barrels per day (bpd) after 2024, from more than 700,000 bpd presently as it expands liquefied natural gas (LNG) production, according to Fereidun Fesharaki, Chairman of consultancy FGE. This could increase Qatar's condensate exports to 500,000 bpd, up from 350,000-400,000 bpd currently, he said at the Condensate and Naphtha Forum in Da Nang, Vietnam. Qatar plans to expand its LNG production by 40%, which will also increase output of by-products such as condensate although there is not a timeframe for its completion

yet. Qatar's long delayed Barzan gas project is expected to start in 2020, adding 30,000 bpd of condensate, Fesharaki said. (Zawya)

- **Trading and services sectors witness double-digit YoY growth in credit off-take in September** – Trading and services sectors continued to witness impressive double-digit YoY expansion in credit off-take this September, outperforming the overall domestic credit growth in Qatar's banking industry, according to the central bank data. The commercial banks' total domestic credit witnessed more than 6% YoY growth to QR919.06bn, of which private sector credit amounted to QR620.57bn and public sector QR284.46bn in the review period. Credit to private sector shot up more than 21% to QR620.57bn, while that to the public sector declined 16.26% to QR284.46bn at the end of September 2019. In the case of credit to the trading sector, it witnessed a huge 73.47% surge to QR134.65bn, which constituted about 15% of the total domestic credit. Most of the credit went towards commercial agencies (QR69.6bn), automobiles and spare parts (QR8.59bn), building materials and gypsum (QR4.46bn) and clothing and leather (QR3.16bn). The second fastest growing sector was services, whose credit off-take rose more than 23% to QR261.6bn, which was almost 28% of the total domestic credit. Within the sector, credit to general services stood at QR234.1bn with air transportation receiving QR80.67bn, hotels (QR25.23bn) and real estate (QR84.01bn); whereas that to financial services amounted to QR27.49bn with investment companies getting the most at QR15.26bn and investment funds QR6.57bn. (Gulf-Times.com)
- **Qatar's hospitality market growing at 12% to reach \$1.4bn by 2022** – Qatar's hospitality market is expected to grow at a compound annual growth rate of 12.1% from 2019 to 2022 to reach \$1.4bn, IFP Qatar, organizer of the upcoming Hospitality Qatar exhibition, stated. To be held under the patronage of Minister of Commerce and Industry HE Ali bin Ahmed Al Kuwari, the fifth edition of the annual global hospitality and Horeca trade show is all set to see 220 exhibitors from Qatar and 33 other countries showcase their latest products and services from the hospitality and tourism industries. The event, which will be held in partnership with the Qatar National Tourism Council (QNTC) for the second time, is also aimed at showcasing Qatar's latest tourism developments and hospitality opportunities to the global market. IFP Qatar's General Manager, Haidar Mshaimesh said, "The event has grown bigger over the years and has expanded to more than 100% in terms of space this year to meet growing demand from local and global industry participants." (Qatar Tribune)
- **Global investors inject QR22.6mn into tech start-ups at QITCOM** – International investors have injected QR22.6mn in start-up companies from Qatar, India, Turkey, and the US at 'Make the Deal' – the startup investor matchmaking event held on the sidelines of QITCOM 2019. Out of 143 local and 85 international startups, 15 companies walked away with up QR22.6mn. The investors (79 international and 31 local) included IDA capital, Globvestor and Partners, Alfa Ventures, and Turk Telecom. (Gulf-Times.com)
- **MoTC announces next phase of digital transformation program** – The Digital Transformation for Small and Medium Business Enterprises (DTSME) program, an initiative of the Ministry of

Transport and Communications (MoTC), has announced the digital accelerator program, which is the next phase of its digital transformation objective of transforming businesses in Qatar. The digital accelerator program will be an enriched version of the DTSME program, with a realigned focus on sector, business establishment segments, and technology domains. It is targeted at increasing the overall ranking of the country in utilizing emerging technologies, such as Internet of Things, Virtual Reality, Augmented Reality, and Artificial Intelligence. The program will commence in early 2020 with a niche focus on business maturity levels and approaching the transformation of SMEs in Qatar through both physical in-site transformations as well as online. With the extension of the DTSME program, MoTC further aims to strengthen the ecosystem of business establishments through digital empowerment in key sectors by creating value for all stakeholders in Qatar's digital economy. (Gulf-Times.com)

#### International

- **US trade deficit falls in September to \$52.5bn** – The US trade deficit fell 4.7% to \$52.5bn in September as the country recorded its first petroleum surplus, but overall imports and exports otherwise fell under the weight of rising global tariffs and a slowing world economy. Economists polled by Reuters had forecasted the trade gap would fall slightly to \$52.5bn in September. The August trade deficit was revised to a slightly wider \$55.04bn. While the petroleum surplus of \$252mn was the first since 1978, it reflected both a drop in exports of US oil and a larger decline in imports of foreign oil, a possible outgrowth of the recent weakness in manufacturing. The goods trade gap with China narrowed by \$100mn to \$31.6bn, with exports to the country falling \$800mn in September and imports from China falling \$1.0bn. In September, overall US exports fell 0.9% to \$206bn, including a \$1bn drop in exports of soybeans, one of the political bargaining chips China has used to pressure the US side in trade discussions. There was an overall decline in goods imports, including a \$800mn drop in cell phones and a \$600mn decline in toys, games and sporting equipment. Imports of capital goods fell \$1.1bn, including a \$600mn drop in imports of semiconductors. When adjusted for inflation, the goods trade deficit fell \$3.1bn to \$82.6bn in September. (Reuters)
- **UN: Trump tariffs cost China \$35bn, hurt both economies** – A trade war between the world's top two economies cut US imports of Chinese goods by more than a quarter, or \$35bn, in the first half of this year and drove up prices for American consumers, a UN study showed. Beijing and Washington have been locked in a trade feud for the past 16 months although there are hopes that an initial deal offering some relief may be signed this month. If that fails, nearly all Chinese goods imports into the US – worth more than \$500bn – could be affected. The US imports from China subject to tariffs fell to \$95bn between January and June from \$130bn during the same period of 2018, the study released by the UN Conference on Trade and Development (UNCTAD) showed. "Overall, the results indicate that the US tariffs on China are economically hurting both countries. US losses are largely related to the higher prices for consumers, while China's losses are related to significant export losses," the report stated. (Reuters)

- **BRC: UK consumers keep lid on spending in October** – British consumers kept a tight rein on their spending ahead of December's election, despite being tempted by retailers offering heavy discounts last month, surveys showed on Tuesday. The British Retail Consortium (BRC) stated overall retail spending rose 0.6% YoY in October, marking the strongest growth since April when spending was boosted by the timing of Easter. Still, the BRC stated the longer-term outlook remained bleak, with the 12-month rolling average of sales growth falling to a new low of 0.1%. The BRC showed that in like-for-like terms, which strip out changes in retail space, sales were up 0.1% compared with October 2018. A separate survey from payment card company Barclaycard showed consumer spending rose 1.5% in October in annual terms, slowing from growth of 1.6% in September. (Reuters)
- **UK economy starts fourth quarter on weak note as Brexit hits orders** – Britain's economy got off to a weak start to the final quarter of 2019, according to surveys which showed the giant services sector stagnated last month, with concerns about Brexit depressing new orders, while consumers stayed cautious. The IHS Markit services Purchasing Managers' Index (PMI) edged up to 50.0 – which represents zero growth – from 49.5 in September, which was one of the lowest readings since Britain was last in recession in 2009. The all-sector PMI, covering manufacturing and construction as well as services, remained below 50 for a third month in a row, the first time this has happened since 2009. October's PMI readings on their own were consistent with a 0.1% quarterly fall in overall economic output, Markit stated. (Reuters)
- **CBI: UK small manufacturers gloomiest since Brexit referendum** – Small British manufacturing firms are their most pessimistic since just after the Brexit referendum in 2016 as they face political uncertainty at home and trade wars abroad, according to a survey. The Confederation of British Industry's (CBI) gauge of optimism for small and medium-sized manufacturers fell to -32 in the three months to the end of October, down from -28 in the three months to July. Companies reported weak new orders - especially from clients in Britain - and little enthusiasm to raise investment spending. (Reuters)
- **Eurozone's September producer prices post minimal rise** – Eurozone's industry prices edged up slightly in September after a larger fall in the previous month, official estimates showed, as the bloc continues to struggle with low inflation. The European Union statistics agency Eurostat stated prices at factory gates in the 19 countries sharing the euro rose by 0.1% in September on the month, in line with the Reuters consensus, and after a 0.5% fall in August. On the year, prices dropped by 1.2%, also in line with market expectations. Industrial producer prices signal inflationary pressure early in the pipeline because unless their change is absorbed by intermediaries and retailers, it is transmitted to the final consumer, impacting consumer inflation. The monthly increase of producer prices was mostly due to a 0.5% rise in energy costs at factories. Excluding energy, industry prices were flat. (Reuters)
- **Japan services sector shrinks for first time since 2016 as sales tax hike kicks in** – Activity in Japan's services sector shrank for the first time in three years in October as a powerful typhoon and a sales tax hike weighed on demand, a survey showed on Wednesday, raising a red flag for the world's third-largest economy. The final Jibun Bank Japan Services Purchasing Managers' Index (PMI) dropped to 49.7 in October from 52.8 in September on a seasonally-adjusted basis, and was down slightly from last week's 49.8 preliminary reading. Though the decrease was marginal, the reading was below the 50 mark that separates expansion from contraction for the first time since September 2016. Resilient consumption has been largely keeping the country's fragile economic recovery on track despite prolonged pressure on its exporters and manufacturing sector. New order growth slowed to a 17-month low, though it continued to expand modestly, the survey showed. Services firms were also able to pass on higher costs to their customers and remained optimistic on the business outlook for the next 12 months. The composite PMI, which includes both manufacturing and services, dropped to 49.1, slipping into contraction for the first time since September 2016. That compared to a final reading of 51.5 in the previous month. (Reuters)
- **BoJ's Kuroda calls for fiscal, monetary policy mix to spur growth** – Bank of Japan's (BoJ) Governor, Haruhiko Kuroda said a mix of fiscal and monetary stimulus would give a bigger boost to the economy than taking fiscal and monetary steps individually, signaling that the government could play a bigger role in helping spur growth. But he said the BoJ would not time any easing steps with the government's decision to ramp up spending, stressing that keeping current ultra-low interest rates alone would enhance the effect of fiscal policy. He said, "If the government saw the need to use fiscal policy (to support growth), a mix of fiscal and monetary policies would have a bigger impact than deploying fiscal and monetary steps separately. That's not to say we have any particular plan to take monetary steps in tandem with bigger government spending." Some Japanese lawmakers are calling for bigger spending if a sales tax hike in October pushes the country into recession. Under a policy dubbed yield-curve control, the BoJ pledges to guide short-term rates at -0.1% and the 10-year bond yield around 0%. It kept policy steady last week but tweaked its forward guidance to say it would maintain ultra-low rates or even cut them for as long as needed to gauge overseas risks. Kuroda has repeatedly said if the BoJ were to ease, it would seek to push down short- to medium-term borrowing costs without causing an excessive decline in super-long yields. (Reuters)
- **Japan's ageing, labor-starved construction industry gives economy a capex boost** – As Japan's construction firms are squeezed by the tightest labor market since the 1970s and a rapidly ageing population, they are pouring investment into technology - and providing unexpected support to an economy reeling from the bitter US-China trade war. The industries sees artificial intelligence and robots - which can that scurry around building sites day and night, preparing equipment and moving materials for the next day's construction - as a way to future-proof and close the labor gap. But a side effect is that one of Japan's least-productive sectors is bolstering capital expenditure even as the world's third-largest economy flirts with recession amid a global growth slowdown. (Reuters)
- **China cuts loan rate for first time since 2016, seeks to soothe bond market** – China's central bank cut the interest rate on its

one-year medium-term lending facility (MLF) loans on Tuesday for the first time since early 2016, as policymakers work to prop up a slowing economy hit by weaker demand at home and abroad. The People's Bank of China (PBOC) stated it was lowering the rate on its one-year medium-term lending facility (MLF) loans to financial institutions by 5 basis points to 3.25% from 3.30% previously. The move could pave the way for a reduction in China's new benchmark Loan Prime Rate (LPR) in a few weeks. It is linked to the MLF rate and is published on the 20th of every month. (Reuters)

- **India's October services activity contracts for second straight month** – Activity in India's dominant services industry contracted for a second consecutive month in October due to muted demand, a private business survey showed on Tuesday, driving business optimism to a near-three year low. Although the Nikkei/IHS Markit Services Purchasing Managers' Index rose to 49.2 last month from 48.7 in September, it remained below the 50-mark threshold separating contraction from growth on a monthly basis. The last time services activity contracted for two consecutive months was in August 2017 following the hasty implementation of a Goods and Services Tax (GST). A sub-index tracking demand showed new business barely grew last month. That, alongside a manufacturing slowdown, dragged a composite index to a more than two-year low of 49.6, pointing to further weakness in Asia's third-largest economy after growth fell to a six-year low of 5% in the April-June quarter. (Reuters)

#### **Regional**

- **IIF: Capital inflows to MENA to jump 21% to \$200bn in 2019** – Non-resident capital inflows to the Middle East and North Africa (MENA) region are projected to rise by 21% from \$165bn last year to \$200bn this year, as nearly two-thirds of additional inflows in 2019 are associated with Saudi Arabia's MSCI EM Index upgrade, the Institute of International Finance (IIF) stated. Portfolio investments, supported by equity index inclusions and debt issuance, remain the key driver of capital inflows to the region, it stated. "Unlike in other emerging markets where capital flows dynamics have been significantly affected by global monetary easing and trade tensions, the main driving factor behind this year's foreign capital inflows to MENA has been global benchmark index upgrades in the GCC," Chief Economist for MENA at IIF, Garbis Iradian said. However, the think-tank sees capital inflows tapering off next year to \$173bn. Foreign inflows to MENA oil exporters will increase significantly from \$115bn in 2018 to \$157bn this year and tapering off to \$133bn next year. In contrast to oil exporters, non-resident capital flows to MENA oil importers are projected to decline from \$50bn last year to \$43bn in 2019 and \$40bn in 2020, IIF analysts said. "Most notably, we are projecting inflows to Saudi Arabia to rise to a record \$57bn this year, as investors have increased exposure to Saudi Arabia's equities as a result of the MSCI EM equity index inclusion," he said. "Going forward, we expect equity inflows to dissipate somewhat however, remain sizable. From the perspective of debt flows, declining interest rates and large fiscal financing needs in the context of lower oil prices will keep Eurobond issuance at high levels," he added. (Zawya)

- **OPEC sees its oil market share shrinking, lowers demand view** – OPEC will supply a diminishing amount of oil in the next five years as output of US shale and other rival sources expands, the exporter group stated, despite a growing appetite for energy fed by global economic expansion. OPEC's production of crude oil and other liquids is expected to decline to 32.8mn bpd by 2024, the group stated in its 2019 World Oil Outlook published on Tuesday. That compares with 35mn bpd in 2019. Rising climate activism in the West and widening use of alternative fuels are putting the strength of long-term oil demand under more scrutiny. The OPEC cut its medium and long-term oil demand forecasts in the report. OPEC supply has been falling in the last few years under a pact with Russia and other non-members to support the market. The resulting higher oil prices have bolstered non-OPEC output and OPEC is expected to restrain output in 2020. "Non-OPEC supply prospects have been revised up sharply, as US tight oil, in particular, has again outperformed expectations," OPEC Secretary-General, Mohammad Barkindo wrote in the foreword of the report, using another term for shale. The US has pushed its oil output to record highs due to a shale revolution that allowed new technology to tap reserves previously deemed uneconomic. OPEC supply has declined as a result of voluntary curbs and US sanctions on OPEC members Venezuela and Iran. Vienna-based OPEC expects supply of US tight oil to reach 16.9mn bpd in 2024 from 12.0mn bpd in 2019, although the expansion will slow and peak at 17.4mn bpd in 2029. (Reuters)
- **Saudi Arabia's non-oil private sector growth at four-year high** – Saudi Arabia's non-oil private sector grew in October at the fastest rate since August 2015 as new business rose at its highest pace in four months, a survey showed. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) rose to 57.8 in October from 57.3 in September. Any reading above the 50 mark indicates expansion. The results suggested that attacks on Saudi Arabia's oil facilities in September have not affected the wider economy. Output growth continued to accelerate, expanding at the fastest rate in 22 months, boosted by higher demand. The main source for growth was seen to be from the domestic market. Growth has picked up this year after lagging in 2018 because of increases in fuel prices and the introduction of a 5% value-added tax. "At current levels, the PMI is indicative of GDP expanding at an annual rate of around 4%, which would be a notable acceleration in growth from the start of 2019," Economist at IHS Markit, Amritpal Virdee said. Riyadh expects real GDP to grow 0.9% this year, as oil output cuts limit the upside of the non-oil economy. Saudi Arabia's employment in the non-oil private sector continued to grow in October, though at a modest pace, according to the survey. "Employment slowed from September, as firms remained cautious about taking on additional staff," he said. Average prices declined in October, with the fastest rate of decrease since April, as survey participants reported reducing prices to attract customers. (Zawya)
- **SoftBank debt burden may stoke an asset fire sale** – Masayoshi Son's SoftBank Group is a giant tech-investment machine whose gears are greased by generous dollops of debt. Borrowing worked well for the \$80bn company as asset values rose; it could become a problem as they go into reverse. On Son's preferred measures, SoftBank's debt burden seems manageable.

The Japanese billionaire wants to keep borrowing below one-quarter of the value of its assets, which include stakes in e-commerce group Alibaba, two telecom operators, chipmaker Arm and a chunk of the \$100bn Vision Fund. On that count he has a comfortable margin of safety: net debt was \$45bn at the end of June, or just 17% of his portfolio's \$260bn worth, using market prices for the listed stakes and SoftBank's estimates for its private holdings. Cash on hand covers at least two years of bond repayments, while cash flows were more than twice annual interest payments in the 12 months to June. There is another layer of leverage in Son's \$100bn Vision Fund, which owns stakes in loss-making companies like Uber Technologies. About \$40bn of the investment vehicle's capital is in preferred shares which pay a 7% annual coupon to investors like Saudi Arabia's Public Investment Fund. Though it is not strictly debt, Son has to honor those payments before rewarding his own shareholders. The fund has also signed deals with banks allowing it to borrow up to \$4.1bn against some of its investments, partly to help pay those coupons. That magnifies the downside if the portfolio stumbles. (Reuters)

- **Saudi Aramco share sale curb rules out overseas listing for at least a year** – The Saudi Arabian government plans to sell 2% of state oil giant Saudi Aramco in a domestic listing on December 11, sources said, however, restrictions on future share sales mean an international IPO is ruled out for at least a year. Final pricing for the IPO is scheduled for December 5, and it is expected to start trading on the Riyadh bourse six days later, the sources said. The Saudi government will face a one-year restriction on selling more Saudi Aramco shares following the domestic listing, according to the sources, meaning any overseas IPO is unlikely to be held in 2020. (Reuters)
- **BSFR's net profit falls 6.7% YoY to SR880mn in 3Q2019** – Banque Saudi Fransi (BSFR) recorded net profit of SR880mn in 3Q2019, registering decrease of 6.7% YoY. Total operating profit rose 2.5% YoY to SR1,738mn in 3Q2019. Total revenue for special commissions/investments rose 4.9% YoY to SR1,871mn in 3Q2019. Total assets stood at SR186.4bn at the end of September 30, 2019 as compared to SR189.3bn at the end of September 30, 2018. Loans and advances stood at SR123.4bn (-0.2% YoY), while customer deposits stood at SR141.9bn (-3.3% YoY) at the end of September 30, 2019. EPS came in at SR2.17 in 3Q2019 as compared to SR2.36 in 3Q2018. (Tadawul)
- **Saudi Re announces maintaining an 'AA+' Insurance Financial Strength Rating (IFSR) By SIMAH's Credit Rating Agency (Tassnief)** – Saudi Re is has announced that it has maintained an 'AA+' Insurance Financial Strength Rating (IFSR) by SIMAH's Credit Rating Agency, Tassnief, with a 'Stable' outlook According to the report issued by (Tassnief), on November 5, 2019, the rating of Saudi Re reflects its strong financial profile supported by its strong capitalization, with solvency levels of the company well above the requirement. It also incorporates the strength of the business profile having a well-established franchise in the key targeted markets that the company operates in, as well as the improved level of diversification for the international business, and a well-diversified GPW mix among the major lines of business. Furthermore, the report noted the strong governance framework, experienced management team, and sound

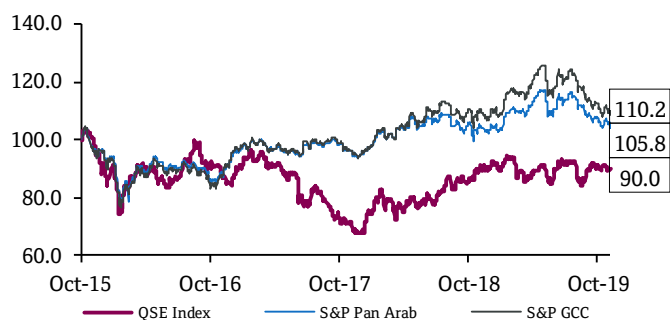
financial profile and investment strategy. The rating also reflects the improvement in profitability and scale of the company that has been built over the years. (Tadawul)

- **UAE's non-oil private sector remains weak in October** – The UAE's non-oil private sector grew in October at the slowest rate since May 2010, matching the low hit the previous month, a survey showed. The seasonally adjusted IHS Markit UAE Purchasing Managers' Index (PMI), which covers manufacturing and services, stood at 51.1, unchanged from September. The non-oil sector remained in growth territory - figures above 50 indicate expansion – however, the growth rate has slowed down drastically over the past few months. "UAE companies continued to ease back from the recent growth momentum earlier this year," Economist at IHS Markit and Author of the report, David Owen said. New orders were at the lowest they have been since the survey began more than 10 years ago, demonstrating weak demand. The output price index decreased to 45.1 in October from 47.3 in September, as businesses increased promotional activity, however, demand remained sluggish. "The most problematic indication from the survey was that further reductions in output charges are failing to boost sales. Firms have responded with an even larger price drop, the sharpest on record, however, it seems that demand weakness is lingering in the private sector," he said. Employment in the non-oil private sector ticked up in October, to 50.5 from 50.2 in September, however, 96% of the survey respondents kept workforce levels unchanged, according to the survey. The UAE, which has the most diversified economy in the region, raised its growth forecast for 2019 to 2.4% last month, driven by faster growth in the oil sector. (Zawya)
- **Kuwait's NBK, KFH arrange \$1.2bn facility for Kuwait Petroleum Corporation** – National Bank of Kuwait (NBK) and Kuwait Finance House (KFH) have co-arranged a five-year syndicated revolving loan and Murabaha facility at \$1.2bn for Kuwait Petroleum Corporation (KPC). The facilities will be used for financing KPC's day-to-day general corporate purposes, a press statement stated, and falls in line with the state-owned firm's 2040 strategy to "become a global integrated, full-fledged oil and gas hub." The facility includes a conventional tranche at \$692mn and a Murabaha tranche at \$461mn. Both NBK and KFH are acting as the initial mandated lead arrangers and book runners for the facilities on behalf of KPC. Burgan Bank, Gulf Bank, Al Ahli Bank of Kuwait, and Commercial Bank of Kuwait joined them in arranging the conventional facility, while Boubyan Bank, Warba Bank, and Kuwait International Bank joined the syndication of the Murabaha facility. (Zawya)
- **Fitch Says Bahrain alone in GCC to improve 2019 fiscal balance** – "Headline fiscal balances will weaken across much of the GCC in 2019 and 2020, maintaining pressure on sovereign and external balance sheets," Fitch Ratings stated in a report. Bahrain, Oman and Saudi Arabia need average oil prices above \$80/bbl to balance their budgets; "issuance and asset draw-downs to cover deficits will continue to increase debt and deplete sovereign net foreign assets, we expect further improvements in non-oil primary balances in most GCC countries in 2020, however, only in Bahrain and Oman is this likely to lead to narrower headline deficits." (Bloomberg)

- **National Bank of Bahrain makes offer to buy Bahrain Islamic Bank** – National Bank of Bahrain (NBB), which has a 29% stake in Bahrain Islamic Bank (BiSB), has made an offer to buy the rest of the Islamic lender in another sign of consolidation in the Gulf banking market. The deal is subject to NBB, the country's biggest lender, acquiring a minimum 40.94% of the Islamic lender for either cash 0.117 Bahrain Dinars or a share exchange ratio of 0.167 National Bank of Bahrain's shares per Bahrain Islamic Bank share, the Islamic lender stated in a filing to the exchange. The price values the Islamic lender at BHD124mn. National Bank of Bahrain is the second-biggest shareholder in the Islamic lender alongside the government. Minimum acquisition will be 40.94%, bringing National Bank of Bahrain's stake in Bahrain Islamic Bank to minimum 70%. (Reuters, Bloomberg)
- **BiSB's net profit falls 48.5% YoY to BHD1.7mn in 3Q2019** – Bahrain Islamic Bank (BiSB) recorded net profit of BHD1.7mn in 3Q2019, registering decrease of 48.5% YoY. Total income from jointly financed assets rose 3.4% YoY to BHD14.2mn in 3Q2019. Total income fell 0.8% YoY to BHD10.8mn in 3Q2019. Total assets stood at BHD1.2bn at the end of September 30, 2019 as compared to BHD1.3bn at the end of December 31, 2018. Financing assets stood at BHD0.6bn (-1.2% YTD), while placements from financial institutions stood at BHD0.2bn (+56.4% YTD) at the end of September 30, 2019. EPS came in at 1.65 fils in 3Q2019 as compared to 3.2 fils in 3Q2018. (Bahrain Bourse)
- **Bahrain sells BHD26mn of 2.65% 182-day Sukuk; bid-cover at 4.68x** – Bahrain sold BHD26mn of 182 day Sukuk due on May 7, 2020. Investors offered to buy 4.68 times the amount of securities sold. The Sukuk having a yield of 2.65% and will settle on November 7, 2019. (Bloomberg)

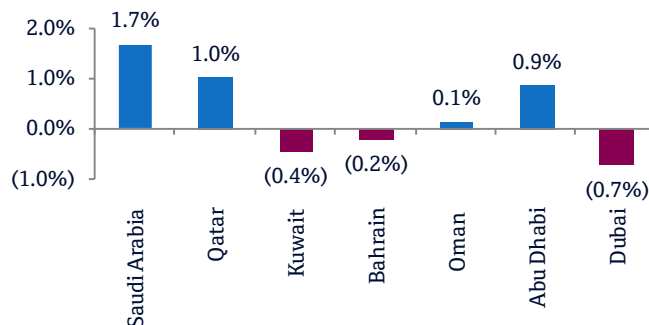


## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,483.55	(1.7)	(2.0)	15.7
Silver/Ounce	17.58	(2.6)	(2.9)	13.4
Crude Oil (Brent)/Barrel (FM Future)	62.96	1.3	2.1	17.0
Crude Oil (WTI)/Barrel (FM Future)	57.23	1.2	1.8	26.0
Natural Gas (Henry Hub)/MMBtu	2.75	(0.7)	8.3	(13.7)
LPG Propane (Arab Gulf)/Ton	52.13	0.5	0.7	(18.6)
LPG Butane (Arab Gulf)/Ton	66.50	(1.1)	(2.6)	(4.3)
Euro	1.11	(0.5)	(0.8)	(3.4)
Yen	109.16	0.5	0.9	(0.5)
GBP <sup>#</sup>	1.29	0.0	(0.5)	1.0
CHF	1.01	(0.5)	(0.7)	(1.1)
AUD	0.69	0.1	(0.2)	(2.2)
USD Index	97.98	0.5	0.8	1.9
RUB	63.51	(0.0)	(0.0)	(8.9)
BRL	0.25	0.6	(0.0)	(2.8)

Source: Bloomberg (\*Market was closed on November 05, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,259.26	(0.1)	0.3	19.9
DJ Industrial	27,492.63	0.1	0.5	17.9
S&P 500	3,074.62	(0.1)	0.3	22.6
NASDAQ 100	8,434.68	0.0	0.6	27.1
STOXX 600	404.23	(0.5)	0.3	15.7
DAX	13,148.50	(0.6)	0.6	20.5
FTSE 100	7,388.08	0.0	0.7	10.9
CAC 40	5,846.89	(0.3)	0.6	19.5
Nikkei	23,251.99	0.9	0.9	17.5
MSCI EM	1,071.22	0.6	2.1	10.9
SHANGHAI SE Composite	2,991.56	0.8	1.5	17.7
HANG SENG	27,683.40	0.5	2.2	7.1
BSE SENSEX	40,248.23	(0.1)	(0.1)	9.9
Bovespa	108,719.00	0.2	0.2	20.0
RTS	1,460.50	0.3	0.3	36.7

Source: Bloomberg (\*\$ adjusted returns)

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