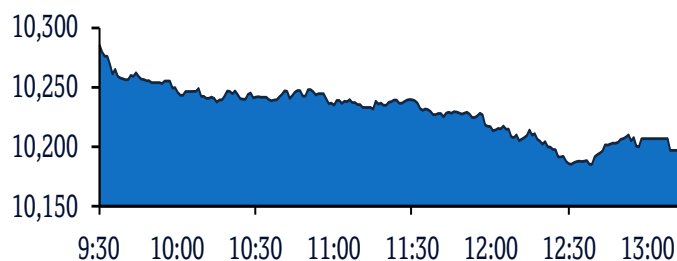


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index declined 0.7% to close at 10,197.6. Losses were led by the Insurance and Consumer Goods & Services indices, falling 1.6% and 1.2%, respectively. Top losers were Gulf International Services and Qatar Insurance Company, falling 2.4% and 2.2%, respectively. Among the top gainers, Ahli Bank gained 2.9%, while Qatari German Company for Medical Devices was up 1.5%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 1.5% to close at 7,715.9. Losses were led by the Media & Ent. and Pharma, Biotech indices, falling 6.7% and 2.6%, respectively. Arabia Insurance Coop. and Saudi Research and Marketing were down 7.5% each.

**Dubai:** The DFM Index gained 0.5% to close at 2,810.0. The Investment & Financial Services index rose 1.1%, while the Banks index rose 0.7%. Amlak Finance rose 14.4%, while Al Salam Sudan was up 13.8%.

**Abu Dhabi:** The ADX General Index fell 0.3% to close at 5,053.3. The Services index declined 2.0%, while the Real Estate index fell 0.6%. Abu Dhabi Aviation Company declined 7.0%, while Al Qudra Holding was down 3.3%.

**Kuwait:** The Kuwait All Share Index fell 0.5% to close at 5,689.7. The Consumer Goods index declined 2.3%, while the Banks index fell 0.7%. Danah Al Safat Foodstuff Co. declined 31.4%, while Umm Al Qaiwain General Inv. was down 8.7%.

**Oman:** The MSM 30 Index gained 0.1% to close at 4,039.9. The Financial index gained 0.1%, while the other indices ended in red. SMN Power Holding rose 8.5%, while Al Ahlia Insurance was up 5.9%.

**Bahrain:** The BHB Index gained marginally to close at 1,517.9. The Commercial Banks and Investment indices each rose marginally. Bahrain Islamic Bank rose 1.7%, while National Bank of Bahrain was up 0.1%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Ahli Bank	3.50	2.9	22.7	37.5
Qatari German Co for Med. Devices	0.83	1.5	9,558.7	46.8
Doha Insurance Group	1.03	1.0	29.0	(21.3)
Gulf Warehousing Company	5.00	0.8	42.9	30.0
Qatar International Islamic Bank	9.01	0.7	5,035.9	36.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Aamal Company	0.73	(0.3)	10,383.8	(18.0)
Qatari German Co for Med. Devices	0.83	1.5	9,558.7	46.8
Masraf Al Rayan	3.55	(0.3)	8,056.7	(14.8)
Ezdan Holding Group	0.67	(0.7)	5,979.8	(48.7)
Qatar First Bank	0.31	(0.6)	5,648.5	(24.5)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,197.57	(0.7)	(1.1)	(1.6)	(1.0)	51.97	155,936.6	14.6	1.5	4.2
Dubai	2,809.95	0.5	1.8	1.0	11.1	53.82	101,072.5	11.8	1.0	4.4
Abu Dhabi	5,053.29	(0.3)	0.5	(0.1)	2.8	27.56	140,647.2	15.2	1.4	4.9
Saudi Arabia	7,715.89	(1.5)	(2.6)	(4.6)	(1.4)	640.28	485,617.1	19.0	1.7	3.9
Kuwait	5,689.65	(0.5)	1.0	0.2	12.0	64.76	106,250.4	14.1	1.4	3.7
Oman	4,039.86	0.1	0.3	0.6	(6.6)	5.32	17,525.3	8.2	0.8	6.8
Bahrain	1,517.92	0.0	0.4	0.1	13.5	5.52	23,703.4	11.4	1.0	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)

Market Indicators	09 Oct 19	08 Oct 19	%Chg.
Value Traded (QR mn)	190.2	190.8	(0.3)
Exch. Market Cap. (QR mn)	567,661.4	571,197.9	(0.6)
Volume (mn)	70.8	53.4	32.5
Number of Transactions	4,670	5,533	(15.6)
Companies Traded	43	44	(2.3)
Market Breadth	8:30	16:18	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,764.38	(0.7)	(1.1)	3.4	14.6
All Share Index	3,011.46	(0.7)	(1.0)	(2.2)	14.7
Banks	3,947.57	(0.7)	(1.1)	3.0	13.6
Industrials	3,072.77	(0.7)	(0.1)	(4.4)	18.1
Transportation	2,536.53	(0.0)	(3.1)	23.2	13.9
Real Estate	1,473.84	(0.2)	(0.5)	(32.6)	10.5
Insurance	2,864.72	(1.6)	(2.8)	(4.8)	16.2
Telecoms	932.77	(0.5)	2.2	(5.6)	16.0
Consumer	8,469.14	(1.2)	(1.4)	25.4	18.8
Al Rayan Islamic Index	3,930.85	(0.6)	(0.6)	1.2	15.4

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
National Bank of Oman	Oman	0.19	1.6	169.2	3.3
Oman Telecom. Co.	Oman	0.59	1.0	60.6	(25.1)
Sohar International Bank	Oman	0.12	0.9	422.2	3.9
Emirates NBD	Dubai	13.20	0.8	1,623.6	48.5
Qatar Int. Islamic Bank	Qatar	9.01	0.7	5,035.9	36.3

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Alinma Bank	Saudi Arabia	20.62	(3.0)	10,700.3	(10.3)
Samba Financial Group	Saudi Arabia	26.05	(2.8)	875.5	(17.0)
Saudi Arabian Fertilizer	Saudi Arabia	81.00	(2.8)	274.9	5.1
Al Rajhi Bank	Saudi Arabia	58.70	(2.5)	5,814.2	3.2
Gulf Bank	Kuwait	0.28	(2.5)	8,184.5	9.5

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%
Gulf International Services	1.64	(2.4)	1,316.0	(3.5)
Qatar Insurance Company	3.13	(2.2)	404.4	(12.8)
Qatar Aluminium Manufacturing	0.90	(1.7)	2,850.5	(32.3)
Qatar Islamic Insurance Company	6.75	(1.6)	10.5	25.7
Qatari Investors Group	1.85	(1.6)	403.7	(33.5)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar International Islamic Bank	9.01	0.7	45,246.3	36.3
Masraf Al Rayan	3.55	(0.3)	28,630.1	(14.8)
Qatar Islamic Bank	15.02	(1.0)	20,520.1	(1.2)
QNB Group	19.06	(0.7)	14,447.5	(2.3)
Qatari German Co for Med. Dev.	0.83	1.5	8,081.6	46.8

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index declined 0.7% to close at 10,197.6. The Insurance and Consumer Goods & Services indices led the losses. The index fell on the back of selling pressure from non-Qatari shareholders despite buying support from Qatari and GCC shareholders.
- Gulf International Services and Qatar Insurance Company were the top losers, falling 2.4% and 2.2%, respectively. Among the top gainers, Ahli Bank gained 2.9%, while Qatari German Company for Medical Devices was up 1.5%.
- Volume of shares traded on Wednesday rose by 32.5% to 70.8mn from 53.4mn on Tuesday. However, as compared to the 30-day moving average of 100.0mn, volume for the day was 29.2% lower. Aamal Company and Qatari German Company for Medical Devices were the most active stocks, contributing 14.7% and 13.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	39.24%	34.70%	8,628,645.63
Qatari Institutions	33.98%	30.40%	6,803,592.81
<b>Qatari</b>	<b>73.22%</b>	<b>65.10%</b>	<b>15,432,238.44</b>
GCC Individuals	0.78%	0.56%	431,976.84
GCC Institutions	1.97%	0.88%	2,070,626.05
<b>GCC</b>	<b>2.75%</b>	<b>1.44%</b>	<b>2,502,602.89</b>
Non-Qatari Individuals	9.21%	8.70%	980,077.25
Non-Qatari Institutions	14.82%	24.76%	(18,914,918.58)
<b>Non-Qatari</b>	<b>24.03%</b>	<b>33.46%</b>	<b>(17,934,841.33)</b>

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

## Earnings Releases, Global Economic Data and Earnings Calendar

### Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2019	% Change YoY	Operating Profit (mn) 3Q2019	% Change YoY	Net Profit (mn) 3Q2019	% Change YoY
Saudi Paper Manufacturing Co.	Saudi Arabia	SR	121.8	6.6%	2.37	N/A	-24.22	N/A
National Agricultural Marketing Co	Saudi Arabia	SR	16.0	-10.4%	-2.7	N/A	-3.8	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (\*Values in Thousands, \*\*Financial for 9M2019)

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
10/09	US	Mortgage Bankers Association	MBA Mortgage Applications	4-October	5.2%	-	8.1%
10/09	China	The People's Bank of China	Money Supply M2 YoY	September	-	8.2%	8.2%
10/09	China	The People's Bank of China	Money Supply M1 YoY	September	-	3.4%	3.4%
10/09	China	The People's Bank of China	Money Supply M0 YoY	September	-	-	4.8%

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

### Earnings Calendar

Tickers	Company Name	Date of reporting 3Q2019 results	No. of days remaining	Status
GWCS	Gulf Warehousing Company	15-Oct-19	5	Due
KCBK	Al Khalij Commercial Bank	15-Oct-19	5	Due
QFLS	Qatar Fuel Company	16-Oct-19	6	Due
QIBK	Qatar Islamic Bank	16-Oct-19	6	Due
ERES	Ezdan Holding Group	17-Oct-19	7	Due
ABQK	Ahli Bank	17-Oct-19	7	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	20-Oct-19	10	Due
QNCD	Qatar National Cement Company	21-Oct-19	11	Due
CBQK	The Commercial Bank	22-Oct-19	12	Due
QEWS	Qatar Electricity & Water Company	23-Oct-19	13	Due
MRDS	Mazaya Qatar Real Estate Development	23-Oct-19	13	Due
QAMC	Qatar Aluminum Manufacturing Company	23-Oct-19	13	Due
UDCD	United Development Company	23-Oct-19	13	Due
DHBK	Doha Bank	23-Oct-19	13	Due
IQCD	Industries Qatar	24-Oct-19	14	Due
NLCS	Alijarah Holding	24-Oct-19	14	Due
QGRI	Qatar General Insurance & Reinsurance Company	24-Oct-19	14	Due
QIIK	Qatar International Islamic Bank	24-Oct-19	14	Due
SIIS	Salam International Investment Limited	24-Oct-19	14	Due
DBIS	Dlala Brokerage & Investment Holding Company	27-Oct-19	17	Due
QCFS	Qatar Cinema & Film Distribution Company	27-Oct-19	17	Due
MERS	Al Meera Consumer Goods Company	27-Oct-19	17	Due

Tickers	Company Name	Date of reporting 3Q2019 results	No. of days remaining	Status
AKHI	Al Khaleej Takaful Insurance Company	27-Oct-19	17	Due
MARK	Masraf Al Rayan	27-Oct-19	17	Due
QIGD	Qatari Investors Group	27-Oct-19	17	Due
MPHC	Mesaieed Petrochemical Holding Company	28-Oct-19	18	Due
MCCS	Mannai Corporation	28-Oct-19	18	Due
GISS	Gulf International Services	29-Oct-19	19	Due
QISI	Qatar Islamic Insurance Group	29-Oct-19	19	Due
DOHI	Doha Insurance Group	29-Oct-19	19	Due
ORDS	Ooredoo	29-Oct-19	19	Due
QOIS	Qatar Oman Investment Company	30-Oct-19	20	Due
QIMD	Qatar Industrial Manufacturing Company	30-Oct-19	20	Due

Source: QSE

## News

### Qatar

• **QNB Group delivers strong profit momentum for the nine months ended September 2019** – For the nine months ended 30 September 2019, net profit topped QAR11.2 billion, an increase of 4% compared to same period last year. Operating income increased by 4% to QAR19.1 billion. This reflects QNB Group's success in maintaining growth across the range of revenue sources. The Group's drive for operational efficiency is yielding cost-savings in addition to sustainable revenue generating sources. This helped QNB Group to improve the efficiency ratio (cost to income ratio) to 25.7%, from 26.2% last year, which is considered one of the best ratios among large financial institutions in the MEA region. Total assets reached QAR912 billion, an increase of 7% from 30 September 2018. Loans and advances grew by 8% to reach QAR653 billion, which contributed to the growth in total assets. This was mainly funded by customer deposits which increased by 7% to reach QAR663 billion from September 2018. QNB Group's strong asset liability management capabilities helped QNB Group to improve its loans to deposits ratio to 98.6% as at 30 September 2019. The ratio of non-performing loans to gross loans amounted to 1.9% as at 30 September 2019, a level considered one of the lowest amongst financial institutions in the MEA region, reflecting the high quality of the Group's loan book and the effective management of credit risk. The Group's conservative policy in regard to provisioning resulted in the coverage ratio at 104% as at 30 September 2019. Group Capital Adequacy Ratio (CAR) as at 30 September 2019 amounted to 18.2%, higher than the regulatory minimum requirements of the Qatar Central Bank and Basel Committee. Currency headwinds in our core markets had limited impact on the CAR. QNB Group remains the highest-rated bank in Qatar and one of the highest-rated banks in the world with ratings of 'Aa3' from Moody's, 'A' from S&P and 'A+' from Fitch. During September 2019, QNB Group obtained the regulatory approvals from Hong Kong Monetary Authority (HKMA) to open a branch in Hong Kong, one of the world's global financial hubs. The branch will provide a full range of banking products and services to individuals and corporate entities. QNB Group expansion in Hong Kong is another fundamental step in QNB Group's international expansion plans to support its growth strategy and market leadership in MEASEA, as well as establish a foothold in highly competitive markets. (QNB Group press release)

- **MCGS posts 35.0% YoY increase but 24.8% QoQ decline in net profit in 3Q2019, beating our estimate** – Medicare Group's (MCGS) net profit rose 35.0% YoY (but declined 24.8% on QoQ basis) to QR10.1mn in 3Q2019, beating our estimate of QR6.8mn. The company's operating income came in at QR109.2mn in 3Q2019, which represents a decrease of 2.2% YoY (-8.0% QoQ). In 9M2019, MCGS reported net profit of QR44.0mn as compared to QR40.8mn in 9M2018. EPS amounted to QR0.16 in 9M2019 as compared to QR0.14 in 9M2018. *While our 3Q2019 revenue (variance 3.6%) and gross profit (variance 0.7%) estimates were in line, MCGS' G&A was lower than our estimate (variance 10.4%) and resulted in better than expected results.* (QSE, QNB FS Research).
- **GISS to disclose 3Q2019 financial statements on October 29** – Gulf International Services (GISS) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 29, 2019. The company will conduct the investor relations earnings call on Tuesday, November 05, 2019. (QSE)
- **IQCD to disclose 3Q2019 financial statements on October 24** – Industries Qatar (IQCD) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 24, 2019. The company will conduct the investor relations earnings call on Thursday, October 31, 2019. (QSE)
- **QEWS to disclose 3Q2019 financial statements on October 23** – Qatar Electricity & Water Company (QEWS) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 23, 2019. (QSE)
- **QNNS to disclose 3Q2019 financial statements on October 28** – Qatar Navigation (QNNS) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 28, 2019. (QSE)
- **MCCS to disclose 3Q2019 financial statements on October 28** – Mannai Corporation (MCCS) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 28, 2019. (QSE)
- **QGMD to disclose 3Q2019 financial statements on October 27** – Qatari German Company for Medical Devices (QGMD) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 27, 2019. (QSE)

- **QOIS to disclose 3Q2019 financial statements on October 30** – Qatar Oman Investment Company (QOIS) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 30, 2019. (QSE)
- **NLCS to disclose 3Q2019 financial statements on October 24** – Alijarah Holding (NLCS) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 24, 2019. (QSE)
- **MPHC to disclose 3Q2019 financial statements on October 28** – Mesaieed Petrochemical Holding Company (MPHC) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 28, 2019. The company will conduct the investor relations earnings call on Sunday, November 04, 2019. (QSE)
- **ZHCD to disclose 3Q2019 financial statements on October 29** – Zad Holding Company (ZHCD) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 29, 2019. (QSE)
- **Qatar Petroleum and partners celebrate South Hook LNG Terminal tenth anniversary** – Qatar Petroleum and partners have celebrated the tenth anniversary of South Hook LNG Terminal, which has the capacity to provide up to 20% of the UK's natural gas needs. HE Minister of State for Energy Affairs as well as Qatar Petroleum's President and CEO, Saad bin Sherida Al-Kaabi said, "The UK is a very important market for Qatari LNG, as it offers a friendly and attractive business environment, and a stable regulatory framework. This is driven by the long and historic relations that tie our two countries and people, on many levels and across all walks of life." Highlighting the importance of South Hook as an important tool for local development; Al-Kaabi said as Qatar Petroleum and its partners made significant investments to develop the import and regasification facilities in South Hook, the terminal itself became a provider of stable local jobs, and a supporter of local communities, businesses and services. "South Hook Terminal is a strategic investment that supports the security of energy supplies to one of the world's most dynamic and vibrant economies," he said. (Gulf-Times.com)
- **Sons of expatriates will soon be allowed to work under family sponsorship** – Sons of expatriates in Qatar would soon be able to work in the private sector without changing their family sponsorship, according to a new proposal announced by the Ministry of Interior (MoI) and Ministry of Administrative Development, Labor and Social Affairs (MADLSA). Two more proposals - granting of temporary work visas in some professions for up to six months and reducing the fees for MoI's online services by 20% - were also announced at a press conference held at the Officers Club of the General Directorate of Civil Defense. These measures, which pertain to work and residency permits and the country's labor market, will be implemented soon. The amendment will allow all members of expatriate families to work with any employer in the private sector without changing their sponsorship, according to Maj Gen Mohamed Ahmed Al-Ateeq, Director-General of Passports. Currently, only the daughters of expatriates are allowed to work with any employer while being under the sponsorship of their family. On the introduction of a new temporary work visa in some professions and jobs, the official said this visa will be

granted to private companies, commercial establishments and other licensed work entities in the State to allow them to undertake emergency, temporary or seasonal work that requires the workforce for a specific period, season or occasion. Meanwhile, the proposal to reduce the fees for services rendered and completed electronically comes within the framework of the MoI's policy of facilitating procedures and offering services to beneficiaries in the best way possible. (Gulf-Times.com)

#### **International**

- **Decreasing US job openings point to cooling labor market** – The US job openings fell to a one-and-a-half year low in August and hiring declined, suggesting employment growth was slowing largely because of ebbing demand for labor as the economy loses momentum. Despite the third straight monthly drop in vacancies reported by the Labor Department, job openings are still plenty enough to ease financial market fears of a looming recession. Job openings are being closely watched for signs of whether erosion in business confidence, which has weighed on capital investment, is spilling over to hiring. Job openings, a measure of labor demand, dropped by 123,000 to a seasonally adjusted 7.05mn in August, the lowest level since March 2018, and the government stated in its monthly Job Openings and Labor Turnover Survey (JOLTS). Job openings have been trending lower this year since scaling an all-time high of 7.63mn in late 2018. The job openings rate fell to 4.4% in August from 4.5% in July. (Reuters)
- **English house builders report weakest demand since 2013** – Demand for newly built houses in England has fallen to a six-year low as home buyers await more certainty over Brexit before going ahead with a major purchase, according to an annual survey of small construction companies. The Federation of Master Builders (FMB), a trade body, stated its members considered land, finance and skilled workers easier to find than a year ago, but that demand from home buyers had slowed further to its lowest since 2013. The proportion of builders reporting constraints due to a lack of skilled workers fell especially sharply, dropping to 26% from 44% - in contrast to widespread reports of skill shortages in the sector - though firms expected worse shortages next year. (Reuters)
- **Eurozone puts pressure on Dutch, Germans to spend more** – Germany and the Netherlands, which run budget surpluses, should invest more to help boost economic growth at home and throughout the Eurozone, top Eurozone officials said, echoing a call from the European Central Bank last month. But the German and Dutch Finance Ministers insisted their governments were already doing a lot to boost domestic demand. Eurozone's economic growth is slowing as its biggest economy, Germany, teeters on the brink of a recession, keeping inflation subdued. But despite an ECB call for a fiscal stimulus, the Eurozone is not planning any concerted action. Instead, top Eurozone officials put pressure on Germany and the Netherlands to use their fiscal space - EU jargon for sound public finances - to invest more and boost growth in their own economies and in the whole Eurozone. (Reuters)
- **Japan's soft machinery orders heighten doubts over business spending** – Japan's core machinery orders slipped for the second consecutive month in August, suggesting deeper fissures in

business investment and the broader economy from slowing global trade. A slowdown in China and the US-China trade war have emerged as risks for Japan's recovery prospects, but policymakers have put their faith in spending by consumers and businesses at home to offset the risks to the outlook. Japan's core orders, a highly volatile data series regarded as an indicator of capital spending in the coming six to nine months fell 2.4% in August from the previous month, Cabinet Office data showed. The drop was largely in line with a 2.5% decline predicted by economists in a Reuters poll and followed a sharp 6.6% fall in July, the largest MoM loss since a 7.8% drop in May. From a year earlier, core orders, which exclude those of ships and electricity, lost 14.5% in August, the biggest YoY drop since November 2014, Refinitiv data showed. The Cabinet Office maintained its assessment on machinery orders to say they are showing a pick up. (Reuters)

- **Reuters Tankan: Japan manufacturers' outlook less negative, service sector up** – Japanese manufacturers' business outlook was less pessimistic in October while service-sector sentiment rose to a three-month high, the Reuters Tankan poll found, likely easing fears for now of the world's third-largest economy falling into a recession. In the Reuters poll of 504 large- and mid-sized companies, in which 248 firms responded on condition of anonymity, manufacturers voiced worry about the protracted trade war and slowdown in China's economy — Japan's largest trading partner. Still, some Japanese firms do not see the impact of the global slowdown immediately hurting the export-reliant economy. The sentiment index for manufacturers stood at minus 5, up two points from the prior month's six-and-a-half year low of minus 7, according to the survey. The index is expected to swing to minus 6 in January. The service-sector index climbed to plus 25, up from plus 19 in the previous month, led by retailers who have likely benefited from consumers rushing to beat the October 1 sales tax which went up to 10% from 8%. Still, retailers' sentiment index was seen falling to zero in January, after surging 20 points to plus 30 in October. The sharp retreat highlights concerns over the effects of the tax hike on private consumption, which accounts for around 60% of the economy. (Reuters)
- **China lowers expectations for US trade talks after blacklist** – Surprised and upset by the US blacklisting of Chinese companies, China has lowered expectations for significant progress from this week's trade talks with the US, Chinese government officials told Reuters, even as President Donald Trump on Wednesday expressed fresh optimism. While Beijing theoretically wants to end the trade war, Chinese Communist Party officials are not optimistic about the size or scope of any agreement with Washington in the short-term, the Chinese officials said. Top US and Chinese trade and economic officials will meet in Washington on Thursday and Friday to try to end a 15-month-old trade war that is slowing the global economy and threatens to upend decades-old trade systems. (Reuters)

#### Regional

- **GCC banks to maintain stable credit fundamentals in 2020** – Rated banks in the GCC should maintain stable financial profiles in 2020, barring any major increase in geopolitical risk or a sharp fall in oil prices. The S&P's 'GCC Banks 2020 Industry Outlook' noted the base case scenario continues to exclude a

full-scale military intervention in the region or a disruption in oil production or supply. However, the rating agency stated that it cannot completely exclude event risk related to geopolitical developments. In its view, GCC banks will successfully navigate a less-than favorable macroeconomic environment in 2020 supported by their solid financial profiles. Banks took the opportunity of the transition to International Financial Reporting Standards (IFRS) 9 in 2018 to recognize the effect of the softer economic cycle on their asset quality indicators in a relatively conservative manner. Therefore, S&P believes that the amount of problematic assets, which it defines as IFRS 9 Stage 2 and 3 loans, will likely remain stable. "We expect GCC economies to show modestly stronger economic growth in 2020 after a dip in 2019. However, GCC countries' growth will remain below that seen during the era of triple digit oil prices. Growth will also likely be constrained against the backdrop of a broader global slowdown. We therefore expect net lending expansion to remain flat, in the mid-single digits on average. At the same time, we expect cost of risk will stabilize at about 1.0% of total loans, due in part to the stronger buffer of provisions that GCC banks accumulated over the past few years and linked to IFRS 9", the rating agency noted. (Peninsula Qatar)

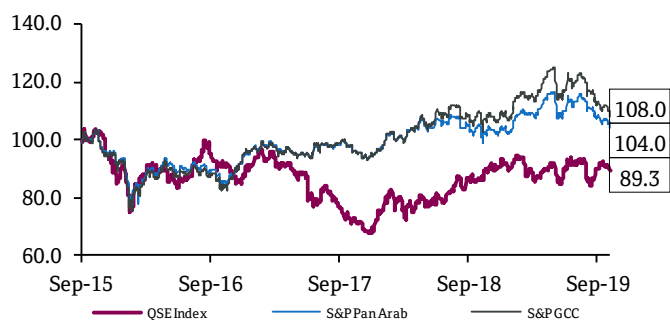
- **HSBC Outlook: Reform agendas have potential to lift MENA growth** – There will likely be an economic slowdown, however, no recession, HSBC Private Banking forecasts in its Investment Outlook for the fourth quarter of 2019, called 'New realities and new opportunities'. For the MENA region, the combination of reform agendas including climate and sustainable development goals and diversification plans in general, has the potential to lift growth even in the face of a slowing external backdrop. HSBC's 2020 growth forecasts are positive for most countries in the region. However, political uncertainties and slow progress on reform will act as headwinds. Globally, manufacturing and investment spending will likely remain weak, however, consumption has been relatively resilient and accounts for a much larger share than manufacturing in most economies. Towards the last quarter of the year, HSBC Private Banking stated that it is important to stay invested and find the right balance in terms of risk and portfolio allocation. (Peninsula Qatar)
- **Nigeria lands higher oil output target in OPEC+ cut deal** – OPEC has granted Nigeria a higher oil output target under an OPEC-led deal to limit oil supply in a move unannounced by the group, following efforts by Africa's largest exporter to tweak the agreement to accommodate its expanding oil industry. The country's allocation was increased to 1.774mn bpd from 1.685mn bpd at the last OPEC meeting in July, three OPEC delegates said. "It's happened," one of the delegates said. "I've not heard of any other changes to the agreement." The quota increase will mean Nigeria will see an improvement in its compliance with the supply cut accord, however, it is still pumping more crude than the new target according to OPEC's own figures and industry surveys. Abuja has had a dismal record in delivering its share of the cut, overshooting by 400% in August according to the International Energy Agency. OPEC put Nigerian production at 1.866mn bpd in August - far above the new quota. (Reuters)

- **Saudi Aramco CEO says output stood at 9.9mn in October** – Attacks on Saudi Aramco’s oil facilities have had no impact on its position ahead of a planned partial stock market listing, its Chief Executive, Amin Nasser told an Oil & Money conference. Production for October stood at 9.9mn bpd, he said. Saudi Aramco is on track to regain its maximum oil production capacity of 12mn bpd by the end of November, he added. He added the attacks resulted in no reduction in revenue for the company because it continued to supply its customers as planned. (Reuters)
- **Russian Direct Investment Fund opens office in Saudi Arabia** – The Russian Direct Investment Fund (RDIF), Russia’s sovereign wealth fund, has opened its first foreign office in Saudi Arabia, the fund stated, as it seeks to do more deals in the Kingdom. The office will conduct its investment activities as part of existing agreements and joint platforms such as the Russia-Saudi Arabia Investment Fund, which was established by RDIF and Saudi Arabia’s sovereign fund PIF, it stated. The move comes after RDIF stated this year it was poised to significantly increase its number of investment deals with Saudi Arabia. RDIF and PIF also cooperate under the aegis of the Russian-Saudi Arabian Energy Investment platform established together with state-owned oil company Saudi Aramco, and the \$1bn Russian-Saudi Arabian platform for investments in the technology sector. The two sides have approved more than 25 joint projects with a total investment of over \$2.5bn across various sectors of the economy, while RDIF and Saudi Aramco are also considering numerous projects in the oil services sector, it stated. (Reuters)
- **Dar Al Arkan sells \$600mn in Islamic bonds** – Saudi Arabian real estate developer Dar Al Arkan is set to raise \$600mn through an issuance of Sukuk, or Islamic bonds, a document issued by one of the banks leading the deal showed. The paper, which is due in 2025 and has attracted orders of more than \$1.6bn, offers investors a profit rate of 7%, according to the document, down from initial price guidance of 7.25% to 7.375% issued earlier on Wednesday. AlKhair Capital, Deutsche Bank, Dubai Islamic Bank, Emirates NBD Capital, Goldman Sachs International, Nomura, Noor Bank, Standard Chartered Bank and Warba Bank have been hired to arrange the deal. (Reuters)
- **UAE's Etihad Rail awards \$436mn contract to Hitachi Rail** – The UAE’s Etihad Rail stated that it has awarded a \$436mn systems and integration contract to Hitachi Rail STS for stage two of the national railway network. Hitachi Rail will be responsible for the design and build of railway systems related to its subsystems, in coordination with other Stage Two works and contracts, as well as managing uptime and operation tests, a statement from Etihad Rail stated. Stage Two links the UAE and Saudi Arabia from Fujairah to Al Ghuweifat through Mussafah, Khalifa Port and Jebel Ali Port. (Reuters)
- **UAE's Fujairah storing high volume of heavier fuels** – UAE’s Fujairah is storing high volume of heavier fuels with the stockpiles of heavy distillates and residue at Fujairah, a major bunkering hub, rising last week to the highest in more than two years. Heavy distillates and residue inventories increased to about 12.6mn bbl as of October 7, data from the Fujairah Oil Industry Zone website and S&P Global Platts (S&P) showed. That is the highest since July 17, 2017, according to S&P. Heavy distillates and residue inventories comprised over 60% of total stocks as of October 7. Total product stocks were at about 20.5mn bbl, up from about 20.1mn bbl the previous week. (Bloomberg)
- **Dubai’s September PMI rises to 52.6 as compared to 51.7 in August** – The seasonally adjusted IHS Markit Dubai Purchasing Managers' Index (PMI) rose for the first time in four months during September, posting at 52.6. This compared with a reading of 51.7 in August. However, the latest figure was still among the lowest recorded over the past three years, signaling a relatively modest improvement in business conditions at non-oil companies. New order growth at Dubai firms softened over the course of September, to indicate the fourth successive monthly slowdown in demand. While sales increased at a solid pace overall, a number of panelists mentioned that strong competition once again limited new orders from clients. As such, output volumes increased at a slower rate than those seen earlier in the year. The pace of expansion was faster than in August, in part due to some firms boosting their marketing activity. Attention was also directed at reducing outstanding business, which fell for the first time since January 2016. The overall contraction was only marginal though. Slower growth of demand led firms to lower purchasing activity in the latest survey period, marking the first curtailing of input purchases since last October. Hiring activity also remained subdued over the month, with latest data signaling a fractional rise in workforce numbers. At the same time, overall input prices rose at the fastest pace in six months, although the increase was only modest and softer than the series average. Higher raw material costs were reportedly behind the uptick, while staffing costs rose only fractionally since August. (Markit)
- **Dubai Utility to assess solar-plant bids, plans to go debt-free** – Dubai Electricity and Water Authority (DEWA) will assess the bids for construction of the fifth phase of a giant solar-energy park and plans to use its own cash to repay outstanding bonds and become debt-free. DEWA is accelerating its push into renewable energy with plans for the 900-megawatt photovoltaic plant in the desert outside Dubai. The government-run utility expects bidders for the project to offer solar power for less than \$0.024 cents per kilowatt-hour, Chief Executive Officer, Saeed Mohammed Al Tayer said. Dubai had 594 megawatts of installed solar capacity at the end of 2018, more than any country in the Persian Gulf region, according to the International Renewable Energy Agency. The UAE has an additional 1,750 megawatts under construction in Dubai alone, at the Mohammed bin Rashid Al Maktoum Solar Park, which will have 5 gigawatts of installed capacity by 2030, if DEWA completes it as planned. DEWA invited eight companies to bid for the solar park’s fifth phase, and it may re-tender the contract if the offers it receives are too high, he said. To reorganize its finances, DEWA plans to make a single payment to repay \$5.5bn to \$5.7bn in bonds maturing next October. “This will be the last bond, our debt will be zero,” he said. “We don’t intend to take out loans” because DEWA will build new facilities as independent power projects in which private developers will pay the up-front costs. (Bloomberg)
- **Boubyan Bank records net profits of KD45mn for the period ended 9M2019** – Boubyan Bank has announced net profits of

KD45mn for the period ended September 30, 2019, at a growth rate of 12% compared the previous year, with an earnings per share of 15.25 fils compared to 14.20 fils for the same period in 2018. Bank's Vice-Chairman & Chief Executive Officer, Adel Abdul Wahab Al-Majed said that all of the Bank's main indicators witnessed a remarkable growth until September 2019 where the total assets increased to KD5bn at a growth rate of 18% while the operating income increased to KD109mn at a growth rate of 4% in addition to the increase in customers' deposits by 14%, to reach KD4.1bn. He further added that the total equity of the bank increased to KD567mn compared with KD396mn last year and that there was a notable increase in the financing portfolio to KD3.6bn with a growth rate of 14% in addition to the continuous growth in the bank's customers' base. He said that as well that the market share, in financing, increased to approximately 9% in the meantime, while Boubyan Bank's share of the retail finance increased to approximately 12%. Besides, the bank recorded outstanding growth in the corporate credit portfolio which grew by 16%. This was achieved by attracting a number of operational companies known for their financial and economic creditworthiness while continuing to maintain the highest standards of credit quality, monitoring and diversifying risks. (Zawya)

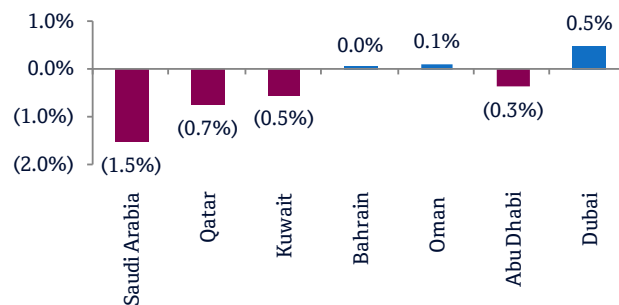
- **NBO shareholders approve capital raising plan at Extraordinary General Meeting** – National Bank of Oman (NBO) held its Extraordinary General Meeting (EGM) with shareholders. The principal agenda item was the approval of the Bank's capital raising plan over the next five years, which includes issuances of additional Tier-1 capital in the region of USD300mn (and/or OMR equivalent) and Tier 2 capital in the region of OMR50mn (and/or USD equivalent). The shareholders approved the Board's proposal of the above capital raising plan. The issuance timing and pricing is to be determined based on market conditions, and is to be actioned within five years subject to the required regulatory approvals. The shareholders also gave their consent to the Board of Directors of the bank, to take the required steps and actions to implement the above. Chairperson of NBO, Sayyida Rawan Ahmed bint Al Said said, "We thank our shareholders for fully supporting National Bank of Oman's capital raising plan to diversify our funding base and maintain a strong capital position. The approval is a demonstration of the bank's strong financial position and with the outcome of this transaction; the bank will continue to remain well capitalized. Investors both in Oman and overseas have shown a clear appetite for the bank's capital market instruments and we are delighted to have their support." (Zawya)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,505.65	0.0	0.1	17.4
Silver/Ounce	17.73	(0.0)	1.0	14.4
Crude Oil (Brent)/Barrel (FM Future)	58.32	0.1	(0.1)	8.4
Crude Oil (WTI)/Barrel (FM Future)	52.59	(0.1)	(0.4)	15.8
Natural Gas (Henry Hub)/MMBtu	2.26	(1.3)	0.4	(29.1)
LPG Propane (Arab Gulf)/Ton	49.00	3.2	7.7	(23.4)
LPG Butane (Arab Gulf)/Ton	61.63	3.1	8.4	(11.3)
Euro	1.10	0.1	(0.1)	(4.3)
Yen	107.48	0.4	0.5	(2.0)
GBP	1.22	(0.1)	(1.0)	(4.3)
CHF	1.00	(0.3)	(0.0)	(1.4)
AUD	0.67	(0.0)	(0.7)	(4.6)
USD Index	99.12	(0.0)	0.3	3.1
RUB	64.89	(0.5)	0.4	(6.9)
BRL	0.24	(0.3)	(1.3)	(5.6)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,137.62	0.6	(0.8)	13.5
DJ Industrial	26,346.01	0.7	(0.9)	12.9
S&P 500	2,919.40	0.9	(1.1)	16.5
NASDAQ 100	7,903.74	1.0	(1.0)	19.1
STOXX 600	380.30	0.6	(0.1)	7.9
DAX	12,094.26	1.2	0.6	9.9
FTSE 100	7,166.50	0.2	(0.9)	2.0
CAC 40	5,499.14	1.0	0.1	11.4
Nikkei	21,456.38	(1.0)	(0.4)	10.0
MSCI EM	993.01	(0.1)	(0.4)	2.8
SHANGHAI SE Composite	2,924.86	0.6	0.9	13.1
HANG SENG	25,682.81	(0.8)	(0.6)	(0.8)
BSE SENSEX	38,177.95	1.7	1.0	3.7
Bovespa	101,248.80	0.7	(2.2)	8.7
RTS	1,317.48	0.8	0.4	23.3

Source: Bloomberg (\*\$ adjusted returns)

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