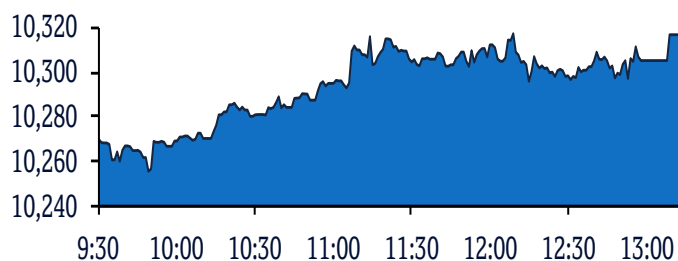


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.4% to close at 10,317.0. Gains were led by the Industrials and Insurance indices, gaining 0.8% and 0.5%, respectively. Top gainers were Qatar Oman Investment Company and Salam International Investment Limited, rising 4.0% and 3.1%, respectively. Among the top losers, Qatar Islamic Insurance Company fell 2.3%, while Islamic Holding Group was down 2.1%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.7% to close at 8,066.4. Losses were led by the Diversified Fin. and Media & Ent. indices, falling 3.5% and 2.3%, respectively. Nat. Agricultural Marketing declined 7.8%, while Kingdom Holding was down 6.1%.

**Dubai:** The DFM Index gained 0.1% to close at 2,687.6. The Services index rose 2.0%, while the Consumer Staples and Discretionary index gained 1.6%. Dar Al Takaful rose 4.6%, while Gulf Navigation Holding was up 3.6%.

**Abu Dhabi:** The ADX General Index fell 0.1% to close at 5,020.1. The Energy index declined 1.0%, while the Investment & Fin. Serv. index fell 0.8%. Abu Dhabi Nat. Co. for Building Mat. declined 9.6%, while Gulf Pharmaceutical Ind. was down 5.6%.

**Kuwait:** The Kuwait All Share Index gained 0.1% to close at 6,100.7. The Consumer Goods index rose 3.5%, while the Consumer Services index gained 0.3%. Al Mal Investment Company rose 15.4%, while IFA Hotels & Resorts Co. was up 13.0%.

**Oman:** The MSM 30 Index fell 0.1% to close at 4,017.6. Losses were led by the Services and Industrial indices, falling 0.7% and 0.5%, respectively. Musandam Power fell 9.9%, while Oman Qatar Insurance was down 5.1%.

**Bahrain:** The BHB Index gained marginally to close at 1,549.8. The Insurance index rose 0.9%, while the Services index gained 0.1%. Bahrain National Holding Company rose 3.5%, while APM Terminals Bahrain was up 0.8%.

Market Indicators	10 Dec 19	09 Dec 19	%Chg.
Value Traded (QR mn)	126.4	182.6	(30.8)
Exch. Market Cap. (QR mn)	569,390.2	566,799.6	0.5
Volume (mn)	43.6	49.1	(11.3)
Number of Transactions	4,160	5,645	(26.3)
Companies Traded	43	42	2.4
Market Breadth	19:17	9:25	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	18,984.13	0.4	(0.4)	4.6	15.0
All Share Index	3,044.81	0.4	(0.5)	(1.1)	15.0
Banks	4,071.82	0.4	(0.6)	6.3	13.7
Industrials	2,966.75	0.8	(0.7)	(7.7)	20.4
Transportation	2,612.79	0.4	0.2	26.9	14.0
Real Estate	1,535.71	0.2	0.4	(29.8)	11.5
Insurance	2,719.65	0.5	1.0	(9.6)	15.6
Telecoms	910.21	(0.3)	(1.7)	(7.9)	15.5
Consumer	8,575.42	(0.1)	(0.8)	27.0	19.0
Al Rayan Islamic Index	3,948.36	0.3	(0.2)	1.6	16.4

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ominvest	Oman	0.34	1.8	157.5	(1.3)
Emirates NBD	Dubai	12.10	1.7	5,519.2	41.6
National Shipping Co.	Saudi Arabia	33.70	1.7	2,064.1	0.9
Sembcorp Salalah Power.	Oman	0.13	1.6	365.7	(28.2)
Abu Dhabi Comm. Bank	Abu Dhabi	7.50	1.4	3,047.8	(8.1)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Kingdom Holding Co.	Saudi Arabia	6.68	(6.0)	1,157.0	(14.4)
Dar Al Arkan Real Estate	Saudi Arabia	10.34	(3.4)	10,622.0	14.6
Saudi British Bank	Saudi Arabia	34.00	(3.1)	957.5	4.1
Arab National Bank	Saudi Arabia	27.15	(2.3)	553.2	27.7
Nat. Commercial Bank	Saudi Arabia	47.70	(2.0)	1,044.4	(0.3)

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 Islamic Insurance Company	6.74	(2.3)	66.4	25.5
Islamic Holding Group	1.91	(2.1)	1,189.0	(12.6)
The Commercial Bank	4.40	(1.3)	1,844.7	11.7
Qatar First Bank	0.31	(1.0)	3,783.5	(24.5)
Investment Holding Group	0.53	(0.9)	495.2	8.8

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.45	0.7	38,879.4	(0.3)
The Commercial Bank	4.40	(1.3)	8,158.0	11.7
Masraf Al Rayan	3.93	0.5	7,742.0	(5.7)
Qatar Insurance Company	3.11	1.0	5,950.2	(13.4)
Qatar Electricity & Water Co.	16.23	0.1	5,049.6	(12.3)

Source: Bloomberg (\* in QR)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Oman Investment Company	0.62	4.0	1,696.4	15.9
Salam International Inv. Ltd.	0.47	3.1	2,017.6	7.6
Qatari Investors Group	1.81	1.7	576.6	(34.9)
Industries Qatar	10.40	1.3	477.1	(22.2)
Gulf International Services	1.80	1.1	307.2	5.9

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Al Khalij Commercial Bank	1.24	0.0	3,945.0	7.5
Qatar First Bank	0.31	(1.0)	3,783.5	(24.5)
Aamal Company	0.77	(0.8)	3,279.0	(12.9)
Ezdan Holding Group	0.63	0.3	3,103.8	(51.2)
United Development Company	1.48	0.0	2,745.3	0.3

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,316.99	0.4	(0.4)	1.7	0.2	34.64	156,411.5	15.0	1.5	4.1
Dubai	2,687.61	0.1	(0.3)	0.3	6.2	86.99	99,704.5	10.7	1.0	4.4
Abu Dhabi	5,020.13	(0.1)	(0.5)	(0.2)	2.1	38.94	139,616.6	15.4	1.4	5.0
Saudi Arabia	8,066.42	(0.7)	2.0	2.6	3.1	689.64	504,378.7	20.8	1.8	3.8
Kuwait	6,100.70	0.1	1.0	2.9	20.1	106.27	114,234.7	15.0	1.4	3.5
Oman	4,017.61	(0.1)	(0.3)	(1.1)	(7.1)	4.87	17,293.4	7.6	0.7	7.4
Bahrain	1,549.77	0.0	0.2	1.5	15.9	13.35	24,198.7	12.5	1.0	5.0

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

## Qatar Market Commentary

- The QE Index rose 0.4% to close at 10,317.0. The Industrials and Insurance indices led the gains. The index rose on the back of buying support from Qatari and GCC shareholders despite selling pressure from non-Qatari shareholders.
- Qatar Oman Investment Company and Salam International Investment Limited were the top gainers, rising 4.0% and 3.1%, respectively. Among the top losers, Qatar Islamic Insurance Company fell 2.3%, while Islamic Holding Group was down 2.1%.
- Volume of shares traded on Tuesday fell by 11.3% to 43.6mn from 49.1mn on Monday. Further, as compared to the 30-day moving average of 69.1mn, volume for the day was 36.9% lower. Al Khalij Commercial Bank and Qatar First Bank were the most active stocks, contributing 9.1% and 8.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	22.69%	23.77%	(1,363,713.79)
Qatari Institutions	35.64%	27.11%	10,777,528.42
<b>Qatari</b>	<b>58.33%</b>	<b>50.88%</b>	<b>9,413,814.63</b>
GCC Individuals	1.11%	1.48%	(471,527.35)
GCC Institutions	7.03%	1.62%	6,836,036.14
<b>GCC</b>	<b>8.14%</b>	<b>3.10%</b>	<b>6,364,508.80</b>
Non-Qatari Individuals	7.95%	10.67%	(3,442,983.30)
Non-Qatari Institutions	25.59%	35.35%	(12,335,340.13)
<b>Non-Qatari</b>	<b>33.54%</b>	<b>46.02%</b>	<b>(15,778,323.43)</b>

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

## Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
12/10	UK	UK Office for National Statistics	Monthly GDP (MoM)	Oct	0.0%	0.1%	-0.1%
12/10	UK	UK Office for National Statistics	Monthly GDP (3M/3M)	Oct	0.0%	0.0%	0.3%
12/10	UK	UK Office for National Statistics	Industrial Production MoM	Oct	0.1%	0.2%	-0.3%
12/10	UK	UK Office for National Statistics	Industrial Production YoY	Oct	-1.3%	-1.2%	-1.4%
12/10	UK	UK Office for National Statistics	Manufacturing Production MoM	Oct	0.2%	0.0%	-0.4%
12/10	UK	UK Office for National Statistics	Manufacturing Production YoY	Oct	-1.2%	-1.4%	-1.8%
12/10	France	INSEE National Statistics Office	Industrial Production MoM	Oct	0.4%	0.2%	0.4%
12/10	France	INSEE National Statistics Office	Industrial Production YoY	Oct	-0.2%	-0.4%	0.2%
12/10	France	INSEE National Statistics Office	Manufacturing Production MoM	Oct	0.5%	0.4%	0.8%
12/10	France	INSEE National Statistics Office	Manufacturing Production YoY	Oct	0.1%	-0.2%	0.5%
12/10	Japan	Bank of Japan	Money Stock M2 YoY	Nov	2.8%	2.5%	2.4%
12/10	Japan	Bank of Japan	Money Stock M3 YoY	Nov	2.3%	2.1%	2.0%
12/10	China	The People's Bank of China	Money Supply M0 YoY	Nov	4.8%	5.0%	4.7%
12/10	China	The People's Bank of China	Money Supply M1 YoY	Nov	3.5%	3.9%	3.3%
12/10	China	The People's Bank of China	Money Supply M2 YoY	Nov	8.2%	8.4%	8.4%

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

## News

### Qatar

- QNB Group announces the appointment of CEO of the group** – QNB Group announced the appointment of Abdullah Mubarak Al Khalifa as QNB Group's Chief Executive Officer (CEO) with effect from December 10, 2019. (QNB Group Press Release)
- Baladna announces the subscription for its IPO has been concluded** – Baladna, the Qatari shareholding company, announced that the subscription for its IPO has been concluded. The total number of subscribers to the IPO was 56,653 investors including Qatari nationals and Qatari institutions and corporations. Baladna announced that the expected profits for the financial period that ends on December 31, 2019 is estimated at QR81mn before subtracting the cost of listing which is estimated around QR40mn. After adding net profits from that period to the shareholders accounts and paying off all past year's losses, the net profit available for distribution to shareholders will be around QR40mn. Baladna extended its appreciation to all

its shareholders who took part in the country's Food Security initiative through subscribing in the IPO and through encouraging its products to cover Qatar's needs raising the slogan 'Quality First'. It is worth mentioning that Baladna's board of directors is currently working on the recommendation and distribution of the expected amount of profit for the shareholders for the above-mentioned period during the month of January 2020. Baladna started the IPO on October 27, 2019 shares will go on trading at the Qatar Stock Exchange (QSE) on December 11, 2019. (QSE)

- Baladna to make stock market debut today** – Baladna Company (Baladna), which recently concluded its IPO, will make its stock market debut today. The shares will be listed on QSE. With the listing of Baladna, the number of listed companies on QSE will increase to 47. As usual, price floatation for Baladna will be permitted only for the first day of listing. Price fluctuation on the second day and thereafter will be permitted by 10% up/down as

the case for all other listed companies. There will be no change in the trading session during the first day of listing, except for the pre-open period as brokerage companies will be only permitted to enter buy/sell orders for Baladna shares starting at 8.30 am during the first listing day only; while the pre-open period for other listed companies will remain as usual, at 9 am. The data will become available at the brokerage firms effective December 8, 2019, so investors will be able to submit their buy/sell orders directly to the brokers as of that date, the source added. QSE announced informed all brokers and investors that market price and un-priced orders must not be entered into the trading system during the preopening of Baladna on its first day of trading. (Peninsula Qatar)

- **QATI's board of directors approves the budget figures for the year 2020 and to hold its General Assembly Meeting on February 25** – Qatar Insurance Company's (QATI) board of directors in their meeting held yesterday, reviewed the company's performance and its subsidiaries during the period from January to November 2019 and approved the budget figures for the year 2020. Another meeting for the board will be scheduled after closing 2019 accounts for QATI and its subsidiaries, to review and approve the final financial statements. On the other hand, the board decided February 25, 2020 for QATI's General Assembly Meeting which will hold the elections of the board of directors for the period 2020 to 2022. (QSE)
- **Qatargas completes Treated Industrial and Process Water project** – Qatargas has successfully commissioned and achieved stable operation of a key environmental project for the reuse of treated industrial water within its facilities in Ras Laffan Industrial City (RLIC). The Treated Industrial and Process Water (TIPW) facility is now fully operational, where it was developed by Qatargas in line with directives from Qatar Petroleum and the Ministry of Municipality and Environment. Leveraging the state-of-the-art water processing technology, the TIPW facility removes contaminants in the wastewater through biological treatment, ultra-filtration and reverse osmosis purification to achieve water purity on the same level of the desalinated water. This facility can reprocess up to 275 cu m per hour of treated industrial wastewater generated from the Qatargas South LNG plant. This new facility helps Qatargas eliminate discharge of almost all of the treated industrial and process water. Prior to the completion of the project, excess treated water of irrigation quality was used to be discharged to the buffer zone, an approved and designated area in RLIC. The water, going to the buffer zone, was being used to irrigate native plants in a fenced and access-controlled area of 500,000 sq m. (Gulf-Times.com)
- **Qatar soon to float tender for managing major food security project facility** – Qatar will soon issue a tender to manage the facilities for the QR1.6bn Hamad Port Food Security Project, which is already nearing its completion, Qatar Chamber's (QC) Chairman, Sheikh Khalifa bin Jassim Al Thani revealed yesterday. The Hamad Port Food Security Project, which is expected to be fully operational within a year, consists of strategic storage facilities, silos, reservoirs, and specialized facilities for the processing, manufacturing, and refining of rice, raw sugar, and edible oils. The amount of production of the factories is said to be enough for three million people, and the stock allows for two and a half years as a strategic stock in the

country, and it can be re-exported abroad. The public-private partnership (PPP) project, also known as Qatar's flagship food sustainability program, has previously partnered with leading food industries companies from Switzerland, Germany, and Italy for the construction of these facilities. The new tender will be awarded to companies which will manage the facilities in cooperation with the main foreign company partners. Sheikh Khalifa on the sidelines of a seminar on 'Qatari Private Sector Role in Strategic Storage' which was organized by Qatar Chamber said, "The strategic storage facility for grain products will be moved from Doha Port to the Hamad Port, and it is already managed by a local company. So a tender will be launched soon for the private sector and international companies to manage the facilities for the rice, sugar, and oil products which are the basic commodities. There are also plans in the future to go downstream in food manufacturing, and other plans to create animal feed and food stocks." During the event, Sheikh Khalifa reiterated that strategic storage projects such as the food security storage facility at Hamad Port, promote Qatar as an important hub for logistics projects and a model for achieving food security strategy. Mohamed bin Ahmed Al Obaidli, QC's board of director and Chair of Food Security and Environment Committee, said that discussions are ongoing to regulate the private sector, particularly companies related to food and storage, in establishing storage facilities for the 22 identified food and non-food items to last for at least six months. (Peninsula Qatar)

- **Budget hotels maintain solid performance in October** – Qatar's hospitality sector continued to maintain its strong performance as a result of concerted efforts on the part of government and private sector in boosting the flow of tourists to Doha. The average revenues of hotels, including all categories of properties, witnessed a moderate YoY growth in October 2019 (year-to-date, YTD), with the budget hotels (2 & 1 Star) recording the highest 27% growth in their revenues. The average revenue of hotels, measured by per available room, increased to QR242 in October 2019 (YTD), up 5.2%, or QR12 per room, compared to QR230 a year ago (October 2018), latest official data show. Supported by significant increase in the number of tourists, which resulted in the increase in hotel occupancy rates, the revenue per available room of hotels improved in October 2019 compared to a year ago, according to data released by the Planning and Statistics Authority. The average occupancy of hotels (all categories combined) in October (YTD) increased by 5% to 64% against 59% for the same period last year. When analyzed by individual categories, data show that all categories of hotels registered positive growth in October in 'hotel revenues per available room' by varying degrees ranging between QR7 and QR24, with 2&1-Star hotel rooms seeing the highest 27%, or QR24 (from QR88 to QR112). The overall improvement in the performance of the hotel industry can be mainly attributed to increase in the number of tourists, especially as a result of sharp and steady growth in cruise tourism. According to recently released data about 1.66mn people visited Qatar in October 2019 (YTD). Out of that 1,548,047 people came by Air and 117,269 by sea. Europe and Other Asia (including Oceania) accounted for a significant majority (70%) of the total number of visitors in October (YTD) 2019, with Asia, including Oceania, accounting for 39% and Europe 31%. (Peninsula Qatar)

## International

- **US, Canada and Mexico sign agreement again to replace NAFTA** – Top officials from Canada, Mexico and the US signed a fresh overhaul of a quarter-century-old trade pact on Tuesday that aims to improve enforcement of worker rights and hold down prices for biologic drugs by eliminating a patent provision. The signing ceremony in Mexico City launched what may be the final approval effort for US President Donald Trump's three-year quest to revamp the 1994 North American Free Trade Agreement (NAFTA), a deal he has blamed for the loss of millions of US manufacturing jobs. The event at the National Palace was attended by Mexico President Andres Manuel Lopez Obrador, Canadian Deputy Prime Minister Chrystia Freeland, US Trade Representative Robert Lighthizer, and US White House adviser Jared Kushner. The result of a rare show of bipartisan and cross-border cooperation in the Trump era of global trade conflicts, the deal was inked the same day as he became the fourth US president in history to face formal impeachment. (Reuters)
- **US third-quarter labor cost growth cut; productivity soft** – Growth of US labor costs was not as robust as initially thought in the third quarter, suggesting inflation could remain tame in the near term. Unit labor costs, the price of labor per single unit of output, increased at a 2.5% annualized rate in the third quarter. They were previously reported to have advanced at a 3.6% rate. Compared with the third quarter of 2018, labor costs grew at a 2.2% rate, rather than the previously estimated 3.1%. Growth in hourly compensation was also revised lower, to a 2.3% rate in the third quarter, from the originally reported 3.3% pace. Hourly compensation grew at a 3.7% rate compared with the third quarter of 2018, instead of the previously reported 4.5% pace. The government also confirmed that worker productivity fell by the most in nearly four years in the third quarter as a rebound in hours, driven by a surge in the volatile self-employed and unpaid family workers component, outpaced output. Nonfarm productivity, which measures hourly output per worker, decreased at a 0.2% rate in the last quarter, the biggest drop since the fourth quarter of 2015. Productivity was previously reported to have declined at a 0.3% pace in the July-September quarter. Productivity grew at an unrevised 2.5% rate in the second quarter. Hours worked increased at a 2.5% rate last quarter. The government last month revised up third-quarter gross domestic product growth to a 2.1% rate from a 1.9% pace. Compared with the third quarter of 2018, productivity increased at 1.5% rate, instead of the previously reported 1.4% pace. (Reuters)
- **UK economy flat-lines, hit by Brexit and global slowdown, as election nears** – Britain's economy grew at its slowest annual pace in nearly seven years in October, a weak backdrop to Thursday's national election, in which both leading parties are promising to boost growth. The approach of a Brexit deadline and the global economic slowdown hit Britain's factories and construction industry during the month, official data showed on Tuesday. GDP rose by 0.7% compared with October 2018, the weakest growth since March 2012, when Britain was still trying to shake off the effects of the global financial crisis. In the three months to October, growth flat-lined compared with the previous three-month period, the Office for National Statistics stated, as expected by economists in a Reuters poll. (Reuters)
- **German investor morale surges on signs of resilient exports** – The mood among German investors improved far more than forecast in December, a survey showed on Tuesday, with an unexpected rise in October exports boosting hopes for an upturn in Europe's biggest economy. The ZEW research institute's monthly index on economic morale among investors rose to 10.7 from -2.1 a month earlier. The reading exceeded even the highest forecast in a Reuters poll of economists, which showed a consensus prediction of zero. Europe's biggest economy has been going through a soft patch as its export-oriented manufacturers struggle against a backdrop of trade friction, an ailing car industry and uncertainties over Britain's planned departure from the European Union. However, data on Monday showed German exports rose unexpectedly in October as demand from beyond Europe increased, helping to buoy investor sentiment. A separate ZEW gauge measuring investors' assessment of the economy's current conditions rose to -19.9 from -24.7 in the previous month. Analysts had forecasted a reading of -22.3. (Reuters)
- **Nikkei: Japan fiscal year 2019-20 tax revenue to undershoot government's estimate by over 2tn Yen** – Japan's government is expected estimate that tax revenue will undershoot its initial forecast by around 2.3-2.5tn Yen in the current fiscal year to March 2020 due to a slowdown in exports caused by the US-China trade war, the Nikkei business daily reported on Tuesday. The government will issue additional deficit-covering bonds worth around 2tn Yen in the current fiscal year to make up for a tax revenue shortfall, it said, without citing sources. The government initially estimated this fiscal year's annual tax revenue at a record high of 62.5tn Yen when it compiled its annual budget a year ago. Additional deficit-covering bond issuance would make it harder to achieve its budget-balancing target by the fiscal year end to March 2026. (Reuters)
- **China's November new loans jump more than expected, modest easing seen on track** – New bank loans in China rebounded more than expected in November as the central bank lowered some key lending rates and encouraged faster credit growth to prop up the slowing economy amid Sino-US trade tensions. Chinese banks extended 1.39tn Yuan in new Yuan loans in November, rising sharply from October and beating analysts' expectations, according to data released by the People's Bank of China on Tuesday. Analysts polled by Reuters had predicted new Yuan loans would rebound to 1.2tn Yuan in November, from 661.3bn Yuan in the previous month and compared with 1.25tn Yuan a year earlier. Household loans, mostly mortgages, rose to 683.1bn Yuan in November from 421bn Yuan in October, while corporate loans jumped to 679.4bn Yuan from 126.2bn Yuan. Outstanding Yuan loans grew 12.4% from a year earlier, unchanged from the pace in October. Analysts had expected 12.3%. Broad M2 money supply grew 8.2% from a year earlier, below estimates of 8.4% in the Reuters poll. It rose 8.4% in October. (Reuters)
- **ADB cuts growth views for China, developing Asia as trade war bites** – The Asian Development Bank (ADB) stated it has lowered its growth forecasts for developing Asia this year and the next, as a weaker outlook for China and India indicated softer economic activity elsewhere in the region. The bank trimmed its growth forecast for developing Asia to 5.2% in 2019 and 2020, the Manila-based lender stated in an updated annual outlook

report, from 5.4% and 5.5% previously. It cut its growth estimates for China for this year and the next to 6.1% and 5.8%, respectively, from the 6.2% and 6.0% forecasts announced in September, on the US-Sino trade tensions and as higher prices of pork cut into consumer spending. The ADB also lowered its forecast for South Asia's largest economy India for fiscal years 2019 and 2020 to 5.1% and 6.5%, from its September estimates of 6.5% and 7.2%, due to liquidity strains on its non-banking finance companies and slow job growth. Developing Asia faces rising food costs, with 2019 and 2020 inflation seen at 2.8% in 2019 and 3.1% in 2020, up from the lender's previous estimate of 2.7% for both the years. (Reuters)

### Regional

- **Private sector financing key to growth of energy sector in the MENA region** – Access to private sector financing and increased energy efficiency are key to sustainable growth of the MENA energy sector, Arab Petroleum Investments Corporation (APICORP), a multilateral development bank in which Bahrain owns three per cent stake stated. A white paper titled 'The Energy Transition: Reshaping Investments and Strategies', issued by the bank, has identified steps in light of the transition towards a low-carbon world. Based on the outcomes of a strategic roundtable that brought together 40 high-level industry experts from the energy and financial sectors, including representatives of government, multilateral organizations and the private sector, the recommendations encompass sustaining energy investments, enhancing finance, improving regulations, pricing carbon, bolstering efficiency and re-educating the public on misconceptions surrounding the hydrocarbon industry. (Zawya)
- **Gulf Arab summit calls for financial and monetary unity by 2025** – A summit of the GCC countries called for finalizing legislation for regional economic integration by 2025, including financial and monetary unity, according to the meeting's final communique. The statement, read by GCC General Secretary, Abdullatif bin Rashid Al Zayani and broadcast live, called also for boosting military and security cooperation to maintain regional security. (Reuters)
- **Saudi Aramco trading debut to make Tadawul world's ninth-biggest exchange** – Saudi Aramco will instantly vault Saudi Arabia's stock market into the ranks of the world's largest when the oil producer's shares begin trading today after its IPO. Tadawul will hold an opening auction for Saudi Aramco shares that will last from 9:30 a.m. to 10:30 a.m. local time, 30 minutes longer than usual. Continuous trading will start after that, with price changes limited to 10% up or down. (Bloomberg)
- **Saudi Aramco will exercise 15% greenshoe option in whole or part during first 30 days of trading** – Saudi Aramco will exercise its 15% greenshoe option in whole or part during the first 30 days of its trading period, its lead managers said. The statement issued from Samba Capital, NCB Capital, and HSBC Saudi Arabia, clarified earlier comments carried by Al Arabiya news channel from an executive of NCB Capital saying that the greenshoe option has been exercised. If the option is exercised in full the state-controlled oil giant could raise \$29.4bn. Saudi Aramco's main IPO raised \$25.6bn. Saudi Aramco is listing its shares on Wednesday on the Saudi exchange after completing the largest IPO on record. (Zawya)
- **Saudi Arabia's government invested almost \$2.3bn in Saudi Aramco IPO** – Saudi Arabian government institutions invested almost \$2.3bn into the IPO of Saudi Aramco, a transaction that was intended to find new sources of funding for the Kingdom's economic diversification plan. The government sold two thirds of the shares offered in the company to institutional investors, of which 13.2% came from Saudi government institutions, according to a statement from Samba Capital, one of the lead managers on the deal. (Bloomberg)
- **DJ: Saudi Aramco sounds out investors on possible Asia listing** – Saudi Arabian officials have held meetings in recent weeks with international investors to sound out their views on a possible listing of Saudi Aramco's shares in Asia, Dow Jones (DJ) reported, citing sources. Officials signaled they would over the next year begin a more formal pursuit of an international listing, which would likely take place in Japan or China, sources said. (Bloomberg)
- **Saudi Aramco's refining capacity to reach 10mn bpd by 2030** – Saudi Aramco's downstream expansion plans could lift its gross refining capacity to more than 10mn bpd by 2030, roughly equivalent to its current rate of crude oil production. Saudi Aramco is expanding its downstream business with domestic investments and in key growth markets such as India, China and Southeast Asia. The target for 10mn bpd gross capacity includes all projects that are either part or fully owned by Saudi Aramco. Facilities partly owned by the Saudi Aramco are likely to provide long-term customers for Saudi crude, such as the stake in Reliance and the ZPC project in China. Some deals face challenges, including the RRPCL joint venture to build a new 1.2mn bpd integrated refinery on the west coast of India and the Cilacap expansion in Indonesia, both of which are delayed. Competition in downstream markets is set to increase as global refining capacity expands faster than liquids demand. Saudi Aramco's strategy is to position itself across large and complex integrated projects to hedge against volatile margins. (Bloomberg)
- **Saudi Arabia is reviewing its plan for energy subsidy cuts** – Saudi Arabia is reviewing its plan to cut domestic energy subsidies as it tries to balance its budget without hurting businesses that have relied on cheap power for a competitive edge. "We have been asked by the government to re-study what would be the best pricing policy that we would adopt going forward," Industry Minister, Bandar Alkhorayef said in an interview with Bloomberg TV. The Energy Ministry, which is leading the project, aims to strike the balance between how we can enable the industry and at the same time also be competitive. The world's largest oil exporter has been gradually implementing energy subsidy cuts over the past few years, sending up the prices of electricity, gasoline and other fuels sold in the domestic market. (Bloomberg)
- **UAE's Al Nowais to build solar, wind plants in Egypt** – Egypt has signed an agreement with the UAE's Al Nowais Investments for the construction of two renewable power plants, Electricity Minister, Mohamed Shaker said. Al Nowais will build a 200-megawatt solar plant in the southern governorate of Aswan and a 500-megawatt wind power plant in the Red Sea city of Ras Gharib, he said. The projects will cost \$990mn, Chairman of Al Nowais Investments, Hussain Al Nowais said. They will be built

under a BOO (build-own-operate) partnership. Egypt will pay 2.48 cents per kilowatt of solar power and 3.1 cents for each kilowatt of wind power, Shaker said. (Reuters)

- **UAE-based Crescent Petroleum has invested over \$3bn in Iraq** – UAE-based energy firm Crescent Petroleum has invested over \$3bn in Iraq, its Chief Executive, Majid Jafar said. “We have invested over \$3 billion in Iraq over the last 10 years and that rate is increasing,” he said, speaking on a panel at a conference in Abu Dhabi. In March, a consortium led by Crescent Petroleum and Dana Gas signed a 20-year gas sales deal with Iraq’s Kurdish region. (Reuters)
- **Dubai’s PMI at 53.5 in November versus 54.6 in October** – The seasonally adjusted IHS Markit Dubai Purchasing Managers’ Index (PMI) fell for the first time in three months, dropping from 54.6 in October to 53.5 in November. The index was still above the 50.0 no-change mark and signaled an overall improvement in non-oil business conditions. Most notably, output grew at the softest rate since April 2016. Panelists highlighted that ongoing projects and increased market demand helped to drive activity. However, a slower rise in new orders limited overall growth. In fact, the rate at which demand increased was among the slowest recorded in the near four-year sequence of improvement. The slowdown in output growth was broad-based across the three monitored sub-sectors: wholesale & retail, travel & tourism and construction. On the demand side, only wholesale & retail firms saw acceleration in sales growth, while construction firms recorded the first drop in new work since February 2016. This occurred as non-oil companies in Dubai continued to lower selling prices amid competitive pressures, extending the current run of discounting to 19 months. That said, the latest reduction was softer than in October. Input costs meanwhile rose fractionally in November. This reversed the slight drop seen in the previous month, as some businesses reported a mark-up in raw material prices. More positively, firms highlighted an improving labor market during November, as employment in the Dubai non-oil economy rose at the quickest pace since January 2018. Respondents often linked the upturn to the launch of new products. That said, the overall increase in staffing numbers was moderate. Companies were also more upbeat around future output predictions, with the level of sentiment improving to a four month high. Panelists often noted hopes of an improvement in economic conditions next year. Others mentioned that they expect new projects and greater tourism in the near future, particularly with the Expo 2020 approaching. (Markit)
- **Mubadala has invested \$100bn in US, eyes China** – Abu Dhabi state investor Mubadala Investment Co has invested \$100bn in the US, more than 40% of its roughly \$240bn portfolio, Deputy CEO, Waleed Al-Muhairi said. “What that tells you is that from our perspective the risk reward equation works in the United States,” he said at the SALT conference in Abu Dhabi, adding that the bulk of the investments are direct, with a small portion indirectly invested through funds. He said the remaining part of the portfolio is almost equally split between three regions - the UAE, Europe and Asia. He said that Mubadala has invested \$2bn in China in 15-16 sectors from its \$10bn UAE China fund and could step up investments in the mainland. “China is the UAE’s largest trading partner, it is an important economic relationship for us,” he said. Mubadala would want to participate in some

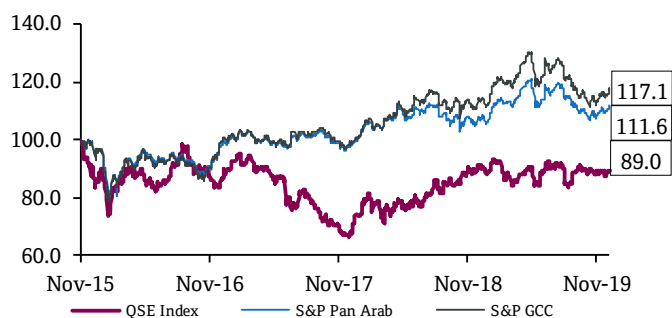
“shape, way or form” in the growth of China, which could become the largest economy in the world, he added. Technology is a focus for Mubadala, he added. Mubadala has invested \$15bn in Softbank’s Vision Fund I and recently announced plans to invest \$250mn through two funds in technology firms in the Middle East and North Africa (MENA). (Zawya)

- **Reliance and ADNOC to explore ethylene dichloride plant in Ruwais** – Abu Dhabi National Oil Co. (ADNOC) and India’s Reliance Industries Ltd. have signed a framework agreement to explore developing a ethylene dichloride facility in Ruwais, according to a exchange filing. The pact will evaluate building a facility that manufactures EDC adjacent to ADNOC’s integrated refining and petrochemical site at Ruwais in Abu Dhabi. ADNOC will supply ethylene to the potential joint venture and provide access to infrastructure at Ruwais. Reliance will deliver operational expertise and entry to Indian vinyls market. (Bloomberg)
- **Abu Dhabi banks record net income of AED15bn in six months** – The net income of commercial and Islamic banks operating in Abu Dhabi amounted to around AED15bn during the first half of 2019, representing 58% of total net income in 2018, according to the latest statistics released by the Statistics Centre - Abu Dhabi, SCAD. The banking sector in Abu Dhabi and the UAE, in general, are considered key financial enablers to the national economy. The net income of traditional banks from interests and investments reached AED12.45bn, accounting for 83% of the total income of the sector while 13% came from Islamic banks. The statistics also showed that at the end of the first half of this year, the number of people employed by Abu Dhabi commercial and Islamic banks totaled 11,768. (Zawya)
- **Abu Dhabi announces \$354mn expansion at Khalifa Port** – Abu Dhabi has announced \$354mn expansion at the Khalifa Port. The Khalifa Port is expanding South Quay, according to a company statement. Abu Dhabi will hold ceremony to announce full operations at Cosco Shipping Ports Abu Dhabi Terminal. (Bloomberg)
- **Oman LNG seeks better offers for as many as 60 LNG cargos** – Oman LNG has asked potential buyers of its liquefied natural gas (LNG) to pay higher prices for as many as 60 cargos to be delivered from 2021 to 2025, Chief Marketing Officer, Mohammed Al-Naseeb said. The revised offers will be submitted by December 17. The previous offers reflect global prices; LNG plunged in 2019 as new plants in US, Russia and Australia ramped up output. Oman LNG is looking for buyers for the following shipments, 6 cargos in 2021, 10-12 cargos in 2022, 12-14 cargos in 2023, 12-14 cargos in 2024 and 12-14 cargos in 2025. Oman LNG will be able to produce an additional 800k-1m tons/year of LNG once it completes de-bottlenecking at its plant. Co. can withstand declining LNG prices because it sells only about 10% of its LNG on spot market, COO Mahmoud Al Baloushi says at same event. “We are in a better picture than other producers because the majority of our LNG is sold under long-term contracts.” (Bloomberg)
- **Bahrain starts \$256mn fund to support private sector** – Bahrain launched a \$256mn fund to support companies in the private sector and draw on some financing from banks, the Gulf Arab nation’s state-run news agency reported. The fund is aimed at overcoming the challenges faced by businesses in the sector,

Bahrain News Agency reported, citing a cabinet statement. Four agreements were signed with banks participating in the fund that will have them extend facilities to firms. (Bloomberg)

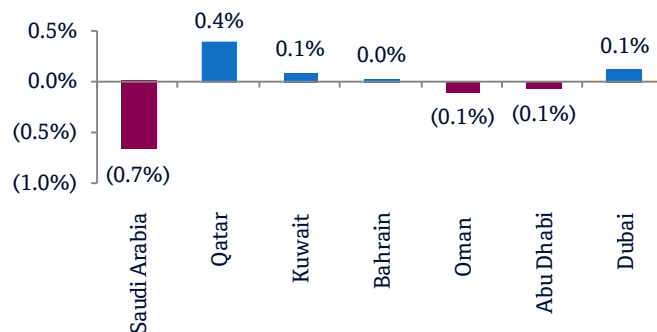
- **S&P revises Bahrain Telecom's outlook to 'Positive'** – S&P revised its outlook on Bahrain Telecom to 'Positive' from 'Stable' on lines with the country's outlook (B+/Positive/B). Given Bahrain Telecom (Batelco's) very strong link with the government, our rating on Bahrain caps our long-term rating on the company. This is because we believe the government can influence Batelco's financial policy and strategy, as well as industry regulation or taxation. We consider Batelco to be a government-related entity (GRE) due to the sovereign's stake of about 77% in the company. In accordance with our criteria for GREs, our view of a moderately high likelihood of extraordinary government support is based on our assessment of Batelco's: Limited importance for the government, given that increased competition in Bahrain's telecom market has resulted in a meaningful market share decline for Batelco. We also believe the telecom regulator is independent from the government, especially compared with those in the majority of other Gulf Cooperation Council countries, where the introduction of competition has not significantly affected incumbent telecom operators. Therefore we believe the Bahraini government might have less incentive to support Batelco; and Very strong link with the government, since the government owns about 77% of the company. Furthermore, the majority of Batelco's boards are members of the government. (Bloomberg)
- **Bahrain sells BHD26mn of 2.57% 182-day Sukuk; bid-cover at 2.97x** – Bahrain sold BHD26mn of 182 day Sukuk due on June 11, 2020. Investors offered to buy 2.97 times the amount of securities sold. The Sukuk having a yield of 2.57% and will settle on December 12, 2019. (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 1.75x** – Bahrain sold BHD70mn of 91 day bills due on March 11, 2020 on December 9, 2019. Investors offered to buy 1.75 times the amount of securities sold. The bills were sold at a price of 99.356, having a yield of 2.56% and will settle on December 11, 2019. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,464.36	0.2	0.3	14.2
Silver/Ounce	16.67	0.4	0.6	7.6
Crude Oil (Brent)/Barrel (FM Future)	64.34	0.1	(0.1)	19.6
Crude Oil (WTI)/Barrel (FM Future)	59.24	0.4	0.1	30.5
Natural Gas (Henry Hub)/MMBtu	2.19	0.9	(4.8)	(31.3)
LPG Propane (Arab Gulf)/Ton	51.38	0.5	(0.2)	(19.7)
LPG Butane (Arab Gulf)/Ton	67.75	(0.4)	(0.7)	(2.5)
Euro	1.11	0.3	0.3	(3.3)
Yen	108.72	0.1	0.1	(0.9)
GBP	1.32	0.1	0.1	3.2
CHF	1.02	0.4	0.6	(0.3)
AUD	0.68	(0.2)	(0.5)	(3.4)
USD Index	97.41	(0.2)	(0.3)	1.3
RUB	63.51	(0.1)	(0.4)	(8.9)
BRL	0.24	(0.1)	(0.2)	(6.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,289.67	(0.1)	(0.3)	21.5
DJ Industrial	27,881.72	(0.1)	(0.5)	19.5
S&P 500	3,132.52	(0.1)	(0.4)	25.0
NASDAQ 100	8,616.18	(0.1)	(0.5)	29.9
STOXX 600	405.34	0.0	(0.2)	16.2
DAX	13,070.72	0.0	(0.4)	20.0
FTSE 100	7,213.76	(0.0)	0.0	10.9
CAC 40	5,848.03	0.5	(0.1)	19.7
Nikkei	23,410.19	(0.2)	0.1	18.8
MSCI EM	1,049.50	(0.2)	0.1	8.7
SHANGHAI SE Composite	2,917.32	0.2	0.2	14.4
HANG SENG	26,436.62	(0.2)	(0.2)	2.4
BSE SENSEX	40,239.88	(0.4)	0.1	9.8
Bovespa	110,672.00	(0.5)	(0.1)	17.6
RTS	1,454.23	(0.2)	0.4	36.1

Source: Bloomberg (\*\$ adjusted returns)

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