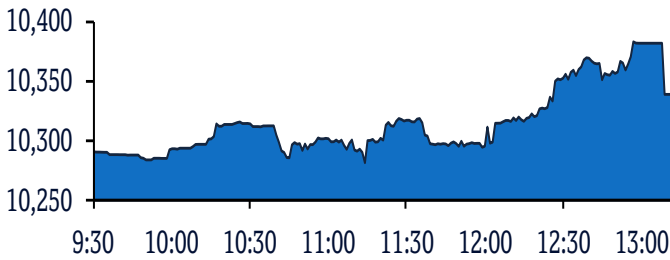


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.2% to close at 10,339.4. Gains were led by the Telecoms and Transportation indices, gaining 1.0% and 0.7%, respectively. Top gainers were Qatar Oman Investment Company and Doha Insurance Group, rising 5.0% and 2.7%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 5.0%, while Mesaieed Petrochemical Holding Co. was down 2.3%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.8% to close at 8,133.7. Gains were led by the Diversified Fin. and Consumer Services indices, rising 5.1% and 2.0%, respectively. Saudi Arabian Oil Co. rose 10.0%, while Kingdom Holding was up 9.9%.

Dubai: The DFM Index gained 1.0% to close at 2,713.6. The Banks index rose 1.9%, while the Insurance index gained 1.6%. Dubai Islamic Insurance and Reinsurance Co. rose 7.6%, while Dar Al Takaful was up 4.1%.

Abu Dhabi: The ADX General Index gained 0.4% to close at 5,040.2. The Investment & Financial Services index rose 1.1%, while the Telecom. index gained 0.9%. Umm Al Qaiwain General Inv. rose 8.4%, while Ras Al Khaimah Cement was up 2.4%.

Kuwait: The Kuwait All Share Index fell marginally to close at 6,099.1. The Technology index declined 7.1%, while the Consumer Goods index fell 0.6%. Bayan Investment Company declined 9.0%, while Kuwait Foundry Co. was down 7.5%.

Oman: The MSM 30 Index fell 0.1% to close at 4,014.0. Losses were led by the Services and Industrial indices, falling 0.3% and 0.2%, respectively. Al Jazeera Services fell 2.4%, while Al Batinah Power was down 1.6%.

Bahrain: The BHB Index gained 0.3% to close at 1,555.2. The Commercial Banks index rose 0.7%, while the other indices ended flat or in red. Esterad Investment Company rose 1.9%, while Al Baraka Banking Group was up 1.0%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Oman Investment Company	0.65	5.0	2,186.0	21.7
Doha Insurance Group	1.13	2.7	5.6	(13.7)
Qatar Navigation	6.34	2.4	684.2	(4.0)
Salam International Inv. Ltd.	0.48	2.4	1,507.1	10.2
Industries Qatar	10.63	2.2	904.0	(20.4)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Baladna	1.00	0.0	67,340.8	0.0
Qatar First Bank	0.31	0.6	5,708.2	(24.0)
Qatar Gas Transport Company Ltd.	2.47	(0.8)	4,615.0	37.8
Mesaieed Petrochemical Holding	2.51	(2.3)	2,701.8	67.0
Aamal Company	0.77	(0.1)	2,616.4	(13.0)

Market Indicators	11 Dec 19	10 Dec 19	%Chg.
Value Traded (QR mn)	221.3	126.4	75.1
Exch. Market Cap. (QR mn)	572,519.4	569,390.2	0.5
Volume (mn)	112.0	43.6	157.1
Number of Transactions	10,585	4,160	154.4
Companies Traded	45	43	4.7
Market Breadth	26:12	19:17	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	19,025.30	0.2	(0.2)	4.8	15.0
All Share Index	3,051.28	0.2	(0.3)	(0.9)	15.0
Banks	4,075.85	0.1	(0.5)	6.4	13.7
Industrials	2,986.12	0.7	(0.0)	(7.1)	20.5
Transportation	2,630.25	0.7	0.8	27.7	14.1
Real Estate	1,532.09	(0.2)	0.2	(29.9)	11.5
Insurance	2,685.17	(1.3)	(0.3)	(10.7)	15.4
Telecoms	918.94	1.0	(0.7)	(7.0)	15.6
Consumer	8,607.99	0.4	(0.5)	27.5	19.1
Al Rayan Islamic Index	3,960.16	0.3	0.1	1.9	16.4

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Kingdom Holding Co.	Saudi Arabia	7.34	9.9	2,088.2	(5.9)
Sahara Int. Petrochemical	Saudi Arabia	17.00	5.3	5,094.2	(14.8)
Riyadh Bank	Saudi Arabia	24.34	4.5	2,385.4	22.8
Emirates NBD	Dubai	12.50	3.3	4,856.8	46.3
Saudi Ind. Inv. Group	Saudi Arabia	21.40	3.1	425.5	(6.5)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Mesaieed Petro. Holding	Qatar	2.51	(2.3)	2,701.8	67.0
Dar Al Arkan Real Estate	Saudi Arabia	10.10	(2.3)	23,741.1	12.0
Savola Group	Saudi Arabia	31.25	(1.9)	215.5	16.6
Emaar Malls	Dubai	1.85	(1.1)	2,270.4	3.4
Qatar Insurance Co.	Qatar	3.08	(1.0)	616.7	(14.2)

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 General Ins. & Reins. Co.	2.48	(5.0)	84.9	(44.7)
Mesaieed Petrochemical Holding	2.51	(2.3)	2,701.8	67.0
Qatar Insurance Company	3.08	(1.0)	616.7	(14.2)
Qatar Gas Transport Company	2.47	(0.8)	4,615.0	37.8
Mannai Corporation	3.08	(0.6)	77.5	(43.9)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Baladna	1.00	0.0	67,697.6	0.0
QNB Group	19.47	0.1	24,145.2	(0.2)
Qatar Islamic Bank	15.26	(0.5)	15,422.5	0.4
Qatar International Islamic Bank	9.69	0.9	13,088.8	46.6
Qatar Gas Transport Company	2.47	(0.8)	11,341.1	37.8

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,339.36	0.2	(0.2)	1.9	0.4	60.41	157,271.1	15.0	1.5	4.1
Dubai	2,713.57	1.0	0.7	1.3	7.3	62.59	100,420.9	10.8	1.0	4.3
Abu Dhabi	5,040.23	0.4	(0.1)	0.2	2.5	80.14	140,303.5	15.5	1.4	4.9
Saudi Arabia	8,133.72	0.8	2.9	3.5	3.9	1,075.23	2,385,155.1	21.0	1.8	3.7
Kuwait	6,099.06	(0.0)	1.0	2.9	20.1	86.86	114,219.0	15.0	1.4	3.5
Oman	4,014.04	(0.1)	(0.4)	(1.2)	(7.2)	16.05	17,291.9	7.6	0.7	7.4
Bahrain	1,555.16	0.3	0.5	1.8	16.3	9.62	24,288.6	12.6	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 0.2% to close at 10,339.4. The Telecoms and Transportation 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.
- Qatar Oman Investment Company and Doha Insurance Group were the top gainers, rising 5.0% and 2.7%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 5.0%, while Mesaieed Petrochemical Holding Company was down 2.3%.
- Volume of shares traded on Wednesday rose by 157.1% to 112.0mn from 43.6mn on Tuesday. However, as compared to the 30-day moving average of 135.8mn, volume for the day was 17.5% lower. Baladna and Qatar First Bank were the most active stocks, contributing 60.1% and 5.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	19.45%	49.73%	(66,993,873.31)
Qatari Institutions	26.63%	14.19%	27,520,956.39
Qatari	46.08%	63.92%	(39,472,916.92)
GCC Individuals	1.30%	0.84%	1,027,650.84
GCC Institutions	13.03%	1.12%	26,354,610.42
GCC	14.33%	1.96%	27,382,261.26
Non-Qatari Individuals	8.95%	7.50%	3,193,818.08
Non-Qatari Institutions	30.64%	26.62%	8,896,837.58
Non-Qatari	39.59%	34.12%	12,090,655.66

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
12/11	US	Mortgage Bankers Association	MBA Mortgage Applications	6-Dec	3.8%	-	-9.2%
12/11	US	Bureau of Labor Statistics	CPI MoM	Nov	0.3%	0.2%	0.4%
12/11	US	Bureau of Labor Statistics	CPI YoY	Nov	2.1%	2.0%	1.8%
12/11	Japan	Bank of Japan	PPI MoM	Nov	0.2%	0.1%	1.1%
12/11	Japan	Bank of Japan	PPI YoY	Nov	0.1%	0.0%	-0.4%

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

News

Qatar

- **With the listing of Baladna, the number of listed companies on QSE reaches 47** – The shares of Baladna were admitted to trading in Qatar Stock Exchange (QSE), bringing the number of companies listed on the market to forty-seven Qatari public shareholding companies. The listing ceremony was held at QSE headquarters in the presence of investors and members of QSE's and Baladna's boards of directors. Baladna was established on December 2, 2019 with an authorized capital of QR1.9bn, which is 100% paid in full. The company's primary objective is to manage, supervise and set the business strategy of Baladna. The objects and activities of the company under the AoA are to establish, own, hold, buy, sell, subscribe for, transfer and allot or redeem shares, loan notes, bonds and any interests in itself, any affiliate and/or any company or undertaking; in addition to invest any of the Company's assets in funds, shares, bonds and financial instruments; as well as owning patents, commercial businesses, franchises, movable assets, personal and real property necessary or conducive for the furtherance of its objects. Baladna was listed with the code 'BLDN' in the Consumer Goods & Services sector. The opening price on the first day of trading was QR1.02, the last traded transaction price was QR1.00, the highest price was QR1.07 and the lowest price was QR0.99. As of tomorrow, the price fluctuation for Baladna will be allowed by 10%, up and down, as the case for all other listed companies. The company's subscribers' data have been

available at the brokerage firms since Sunday, December 8, 2019, to allow investors to submit their buy/sell orders directly to the brokers. (QSE)

- **Baladna debuts on QSE, accounts for more than 60% of trade volume** – Baladna made its debut on the QSE with its equities accounting for more than 60% of total trade volume. The bourse saw as many as 67.34mn shares valued at QR67.7mn change hands across 5,528 transactions. Baladna's QR1.43bn IPO, which offered 75% stake to public, was successful and it reported oversubscription. "We are very satisfied. The demand is much higher than the offer," a board member of Baladna said. Of the 75% offer, as much as 52% was offered to local retail and corporate houses and 23% to the existing institutional stakeholders such as the Qatar General Retirement Authority, Al Meera Consumer Goods Company, Mwani Qatar and Hassad Food. The company's primary objective is to manage, supervise and set the business strategy of Baladna Food Industries, the beacon of Qatar's self-sufficiency in the dairy sector. Market experts are of the view that the dairy sector has high growth potential and the government's direct and indirect support would provide cushion for the new entrant on the QSE. (Gulf-Times.com)
- **WOQOD opens nomination process to elect four members to its board of directors** – Qatar Fuel Company (WOQOD) held yesterday its sixth meeting for 2019, where the board issued a resolution approving the recommendations of the Nominations

Committee to open the nomination process for the election of four members to the board of directors for a period of three years. Their terms will start immediately after the election of the required members by the WOQOD's Annual General Assembly, scheduled on March 18, 2020 as an original date and on March 31, 2020 as an alternative date. The board also approved the nomination conditions for the independent and non-independent members, in addition to the adoption of the timetable, which sets the dates for the nomination and election procedures, where it is scheduled to open the nomination process for those wishing to nominate to collect the nomination documents from December 22, 2019 until January 5, 2020. During its annual meeting on January 29, 2020, the board of directors will approve the final list of candidates for submission to the general assembly of shareholders, other than Qatar Petroleum and the General Retirement & Social Insurance Authority, for voting requirements and the selection of the winning candidates. (Gulf-Times.com)

- **Ooredoo launches Aamali Mobile 5G Plans** – Ooredoo has refreshed its industry-leading Aamali Mobile Plans to provide greater choice and flexibility for business mobility to include 5G capabilities, among others. Since Ooredoo launched Aamali Mobile Plans in early 2018, Ooredoo has seen strong success on business customers switching or upgrading their mobile plans. Aamali Mobile 5G Plans provide rich mobile data allowances and flexibility to activate multiple add-ons for local calling, local data, international calling and roaming for greater value, control, and flexibility all through the ease of self-service digital tools. Now, Ooredoo has refreshed the Aamali Plans to include a wider range of plans that better the needs of organizations across different sizes, industry verticals, and business goals, and through 5G network. Business customers can select from eight different plans, and start with an introductory plan and scale up. (Peninsula Qatar)
- **Qatar Airways among global airlines committed to '25by2025' campaign** – Qatar Airways and five other Middle Eastern and African airlines have already committed to the '25by2025' campaign, which seeks to address gender balance in civil aviation. Globally, some 59 airlines have committed to the '25by2025' campaign, the International Air Transport Association (IATA) stated here Wednesday. "We have had incredible response from Qatar Airways when we discussed the campaign with them," IATA's Director (Learning and Development), Jane Hoskisson said. (Gulf-Times.com)
- **QSE all set to see the listing of a real estate firm in near future** – Buoyed by the successful of listing of Baladna and the sound macroeconomics of the country, Qatar's private sector has evinced greater interests in becoming public and the country's stock market is all set to see the listing of a real estate firm in the near future. "At least I have one active file (in terms of listing)," QSE's Chief Executive, Rashid bin Ali Al-Mansoori told reporters on the sidelines of the listing of Baladna yesterday. Asked under which sector the prospective entity belonged to, he said it is from the real estate. However, he did not disclose further details. The QSE's real estate sector now has four constituents – United Development Company, Barwa Real Estate Company, Ezdan Holding Group and Mazaya Qatar Real Estate Development. Although, he did not specify on the number of listings expected

in 2020, Al-Mansoori sounded positive owing to the increased interests shown by the private sector, including family owned entities. "There is a growing interest from the private sector (for listing)", he said, adding the bourse had made many achievements during this year. It is learnt that there has been a prospective entity, within healthcare/pharmaceutical sector, seeking to go public. Expectations regarding the public offers have heightened, given that the country's macroeconomic profile remains intact despite the economic and trade blockade. The increased room for the private sector and hence the need for capital requirements is expected to prompt these entities to seek listing, sources said. (Gulf-Times.com)

- **Ezdan report: Opening of metro lines to boost Qatar property market and real estate transactions in the week of 1-5 December stood at QR396.5mn** – The full operation of Doha Metro will stimulate construction in all areas that metro lines and stations pass through, according to Ezdan Real Estate's (Ezdan) weekly report. The report noted construction works will keep up during the next year, including residential and commercial projects coupled with infrastructure, transportation and communications projects. These ongoing works contribute to accommodating the expected population increase and the growing rates of visitors to Qatar as 2022 World Cup approaches, Ezdan stated. Meanwhile, Planning and Statistics Authority has announced the registration of building permits issued by the various municipalities in the state, which account to 2,385 licenses, during the past three months starting from September to November. With regard to real estate activity in terms of trading volume and values, during the period from December 1-5, Real Estate Registration Department at the Ministry of Justice has documented 68 real estate transactions worth QR396.5mn. The real estate sales were distributed over seven municipalities: Umm Salal, Al Khor, Al Dhakhira, Doha, Al Rayyan, Al Shamal, Al Daayan and Al Wakra, and included space lands, housing units, multi-use buildings, multi-use space lands and residential buildings. Al Wakrah municipality accounted for the highest deal in terms of value by selling a house spreading on a huge area of 29,236 square meters with an average price not exceeding QR193 per square foot, totaling QR60.6mn. (Qatar Tribune)
- **Qatar to start new oil price methodology from March 2020 cargoes** – Qatar Petroleum will switch to a new oil pricing methodology starting with cargoes loading March 2020, according to sources. The switch in pricing methodology will be effective for all cargoes of Qatar Marine and Qatar Land grades, sources added. (Bloomberg)
- **Cabinet approves draft 2020 budget** – Prime Minister HE Sheikh Abdullah bin Nasser bin Khalifa Al Thani chaired the Cabinet regular meeting held at its seat at the Amiri Diwan yesterday. The Cabinet approved the State's draft budget for the fiscal year 2020 and a draft law approving the budget and referring the main sections of the draft budget and the draft law to the Shura Council. The draft budget was prepared on the basis of providing the necessary allocations for the plans and projects of Qatar National Vision 2030 and the requirements of the Second National Development Strategy 2018-2022 with its various economic, social, human and environmental pillars; providing funds for the completion of major projects and projects associated with the 2022 World Cup; allocating funds for the

development of infrastructure in free, economic, industrial and logistic zones and for the development of lands for citizens; supporting business development initiatives to enhance the role of the private sector and its participation in various economic activities; supporting food security and small and medium-sized enterprises. (Peninsula Qatar)

International

- **Fed leaves interest rates unchanged, expects moderate economic growth in 2020** – The US Federal Reserve on Wednesday held interest rates steady and signaled borrowing costs are likely to remain unchanged indefinitely, with moderate economic growth and low unemployment expected to continue through next year's presidential election. The decision by the US central bank's rate-setting committee left the benchmark overnight lending rate in its current target range between 1.50% and 1.75%. New economic projections showed a solid majority of 13 of 17 Fed policymakers foresee no change in interest rates until at least 2021. The other four saw only one rate hike next year. Notably, no policymakers suggested lower rates would be appropriate next year, a sign the Fed feels it has engineered a soft landing after a volatile year in which recession risks rose, the US bond yield curve inverted, and trade policy disrupted markets. In the midst of an ongoing US-China trade war, Fed policymakers said they would continue monitoring global developments in deciding whether interest rates need to change. They also said they would keep an eye on muted inflation pressures, a reflection of concern that the pace of price increases has failed to hit the central bank's target. (Reuters)
- **Mortgage applications increase in latest MBA weekly survey** – Mortgage applications increased 3.8% from one week earlier, according to data from the Mortgage Bankers Association's (MBA) Weekly Mortgage Applications Survey for the week ending December 6, 2019. The results for the week ending November 29, 2019 included an adjustment for the Thanksgiving holiday. The Market Composite Index, a measure of mortgage loan application volume, increased 3.8% on a seasonally adjusted basis from one week earlier. On an unadjusted basis, the Index increased 47% compared with the previous week. The Refinance Index increased 9% from the previous week and was 146% higher than the same week one year ago. The seasonally adjusted Purchase Index decreased 0.4% from one week earlier. The unadjusted Purchase Index increased 35% compared with the previous week and was 5% higher than the same week one year ago. (MBA)
- **Gasoline, rents lift US consumer inflation in November** – The US consumer prices increased solidly in November, which together with labor market strength, could support the Federal Reserve's intention to keep interest rates steady indefinitely after reducing borrowing costs three times this year. The report from the Labor Department on Wednesday also showed underlying inflation firming last month. The consumer price index rose 0.3% last month as households paid more for gasoline and electricity, and food prices increased for a third consecutive month. The CPI advanced 0.4% in October. In the 12 months through November, the CPI shot up 2.1% after gaining 1.8% in October. Excluding the volatile food and energy components, the CPI rose by 0.2%, matching October's increase. The so-called core CPI was up by an unrounded 0.2298% last month compared to 0.1572% in October. The core CPI was lifted by gains in healthcare and prices of used cars and trucks, recreation and hotel and motel accommodation. In the 12 months through November, the core CPI increased 2.3% after a similar gain in October. Economists polled by Reuters had forecasted the CPI climbing 0.2% in November and rising 2.0% on a YoY basis. The rent index gained 0.3% after edging up 0.1% in October, which was the smallest gain since April 2011. It was lifted by a 1.1% rebound in the cost of hotel and motel accommodation after tumbling 3.8% in October. The cost of core services rose 0.3% after increasing 0.2% in October. Owners' equivalent rent of primary residence, which is what a homeowner would pay to rent or receive from renting a home, increased 0.2% last month, matching October's rise. (Reuters)
- **EU ready to start talks on future with Britain immediately after Brexit** – The European Union (EU) is ready to start negotiations on its future relationship with Britain as soon as Britain leaves the bloc, a senior EU official said on Wednesday, ahead of a meeting of EU leaders on Brexit on Friday. Britain will hold parliamentary elections on Thursday after years of negotiations on the terms of its withdrawal from the EU did not produce a result that would get sufficient support in the British parliament. The British election results are likely to be known early on Friday. "Whatever these results will be, the message from the EU is that we are ready to start negotiations on the future of our relations as soon as Brexit takes place. EU citizens but also EU businesses deserve certainty," the senior EU official said. (Reuters)
- **Japan's October core machinery orders fall 6.0% MoM** – Japan's core machinery orders unexpectedly fell 6.0% MoM in October, down for the fourth straight month, government data showed. The fall in core orders, a highly volatile data series regarded as an indicator of capital spending in the coming six to nine months, compared with the median estimate of 0.9% rise in a Reuters poll of economists. Compared with a year earlier, core orders, which exclude those of ships and electricity, fell 6.1% in October, versus 1.8% drop seen by economists, the Cabinet Office data showed. (Reuters)
- **BoJ's Kuroda: Global economy showing bright signs** – Bank of Japan's (BoJ) Governor, Haruhiko Kuroda said that the global economy is showing bright signs. Speaking at a year-end event for economists, Kuroda said economies in countries such as the US and China are firm and he expects the global economy will pick up next year. Kuroda said, "The overall global economy is expected to be relatively bright next year". He also said that the BoJ would need to pay close attention to climate change and would support dealing with the issue in various forms. (Reuters)
- **Reuters poll: Reserve Bank of India February rate cut on a knife's edge** – A February Reserve Bank of India (RBI) rate cut is on a knife's edge, with just under half of economists polled expecting easing at that meeting, and is highly likely by the middle of next year, according to a Reuters poll. After slashing the repo rate by 135 basis points this year to 5.15%, the RBI cited concern about near-term inflation when it took analysts and markets by surprise and kept it unchanged last week, pushing stocks and the Indian rupee lower. However, the central bank acknowledged there was room for further cuts. With economic growth at its weakest in over six years, 49% of economists, 33 of 67, in a snap

poll taken after the Monetary Policy Committee's decision, predicted that would be a temporary pause and another cut would come in February. (Reuters)

Regional

- **OPEC sees small 2020 oil deficit even before latest supply cut –** OPEC pointed to a small deficit in the oil market next year due to restraint by Saudi Arabia even before the latest supply pact with other producers takes effect, suggesting a tighter market than previously thought. In a monthly report, OPEC stated that demand for its crude will average 29.58mn bpd next year. OPEC pumped less oil in November than the average 2020 requirement, having in previous months supplied more. The report retreats further from OPEC's initial projection of a 2020 supply glut as output from rival producers such as US shale has grown more slowly than expected. This will give a tailwind to efforts by OPEC and partners led by Russia to support the market next year. OPEC kept its 2020 economic and oil demand growth forecasts steady and was more upbeat about the outlook. "On the positive side, the global trade slowdown has likely bottomed out, and now the negative trend in industrial production seen in 2019 is expected to reverse in 2020," the report said. Oil prices LCOc1 were steady after the report's release, trading near \$64 a barrel, below the level some OPEC officials have said they favor. The OPEC+, have since January 1 implemented a deal to cut output by 1.2mn bpd to support the market. At meetings last week, OPEC+ agreed to a further cut of 500,000 bpd from January 1 2020. (Reuters)
- **IATA: Middle East aviation to see rebound in 2020; to trim losses to \$1bn next year –** The GCC region and the Middle East may see a rebound in their aviation industry on the back of stronger economic growth and restructuring by the airline industry. While the region's aviation industry will continue to make losses, experts say this will come down to \$1bn in 2020 from \$1.5bn this year. "Middle East carriers are continuing a restructuring process and announced schedules point to a substantial slowdown in capacity growth for 2020," IATA's Chief Economist, Brian Pearce told Gulf Times. "After very weak economic growth in 2019, which limited local traffic, some rebound is expected next year. Restructuring and stronger growth will boost performance. However, this will take time and we will see losses next year too - for the third consecutive year, estimated at \$1bn, trimmed from \$1.5bn in 2019," he pointed out. On the global airline industry, the IATA Chief Economist noted, it will produce a net profit of \$29.3bn in 2020, an improvement upon this year, on the back of higher forecasted global GDP, passenger numbers and lower jet fuel prices, according to the International Air Transport Association. (Gulf-Times.com)
- **Saudi Arabia ready to issue new international bonds as soon as January –** Saudi Arabia might issue new international bonds as soon as January, as part of plans to raise \$32bn worth of debt next year, a senior finance ministry official told Reuters. The Kingdom has been borrowing extensively over the past few years, locally and internationally, to tap new revenue channels in an era of lower oil prices. "We are very much ready, as early as the first of January, to issue our international bonds subject to market conditions of demand and supply," Fahad Al-Saif, who heads the Kingdom's debt management office (DMO), said. Of the total debt plans, almost \$12bn will be to refinance existing

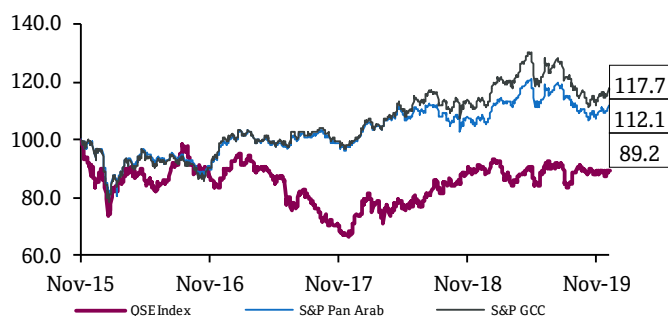
local debt, and will be done locally, he said. That leaves around \$20bn -worth of new funds that Riyadh plans to raise in the local and international markets, with the international debt accounting for 45% of the fundraising plans. "We're assuming between 30 billion riyals and 35 billion riyals is going to be the international part of our issuance for the year," he added. Most of the debt will be local and about 45% will be raised overseas through Sukuk and conventional bonds, he said. The country will also refinance roughly SR44bn of existing local debt, he said. (Reuters, Bloomberg)

- **Moody's: Saudi Arabia's planned spending cut will help achieve balanced budget target –** Moody's Investors Service stated that Saudi Arabia's planned expenditure cuts will support the Kingdom's achievement of its challenging balanced budget objective by 2023. Saudi Arabia had already announced plans to secure a balanced budget by 2023 by closing budget deficit. The government's intention to cut spending in 2020 – in addition to planned spending cuts relative to what has been budgeted for 2019 – is credit positive and raises the likelihood of achieving the balanced budget objective by 2023," Moody's Vice President, Alex Perjessy said. "However, implementation will be challenging not least because of a history of overspending relative to budget targets, but also given the government's simultaneous desire to ensure a steady rate of non-oil GDP growth, support economic diversification and further reduce the unemployment rate. Public finance management reforms put in place in 2019, including the implementation of a new electronic payment and tracking system will help," he added. The ratings agency had commented on the pre-budget statement in November, stating that under the revised Fiscal Balance Program (FBP), the Saudi Arabian government aims to reduce spending by SR124bn between 2018 and 2022 and that is a significant change from previous FBP versions, which targeted rising expenditure over the same four-year period. (Zawya)
- **Saudi Aramco shares open 10% above IPO price, garners \$1.88tn valuation –** Saudi Aramco shares opened at SR35.2, 10% above their IPO price of SR32, in their first day of trading following a record IPO. That gives the state-controlled oil giant a market value of about \$1.88tn, comfortably making it the world's most valuable listed company, however, well below the \$2tn price-tag long sought by Saudi Arabian Crown Prince, Mohammed bin Salman. Saudi Arabia relied on mainly domestic and regional investors to buy a 1.5% stake in Saudi Aramco after lukewarm interest from abroad. (Reuters)
- **Saudi Aramco to become world's largest listed company –** Saudi Aramco will become the world's largest listed company when it debuts on the Kingdom's stock exchange, the bourse's Chairwoman, Sarah Al-Suhaimi said. She was speaking at a ceremony marking the IPO of the stock on the exchange in Riyadh. She added that the exchange will also become one of the world's largest due to the listing. (Reuters)
- **Ministry of Economy: UAE's economy to grow 2% this year –** The UAE's economy will grow 2% this year, Ministry of Economy stated. The consumer prices in the oil-producing nation are projected to decline 1.2% this year, it stated in its annual report. Growth is attributable to increase in oil sector output whose oil production and export capacity is expected to rise to reach about 3.1mn bpd. Trade balance surplus is set to

increase by 4.1% this year as compared to 2018. Merchandise exports is also set to climb 4.2% this year. (Bloomberg)

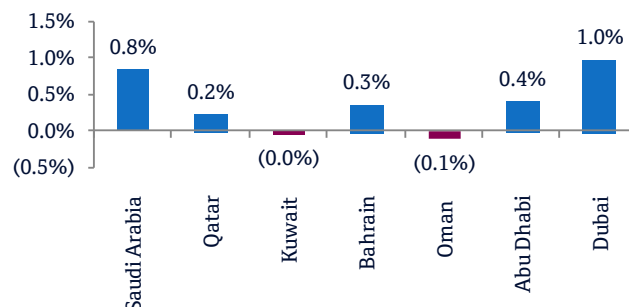
- **UAE aims to boost investments in Egypt to \$14bn over the next 5 years** – UAE aims to boost investments in Egypt to \$14bn over the next 5 years. The Egyptian market has numerous opportunities and is able to absorb large investments from the UAE, the Investment and International Cooperation Ministry stated citing the Head of an Emirate investment delegation. Emirati investments in Egypt is currently at around \$7.2bn. The delegation had toured Egypt's new administrative capital. (Bloomberg)
- **Abu Dhabi's Mubadala optimistic about Softbank Vision Fund** – Abu Dhabi state fund Mubadala stated that it remains optimistic about Softbank's Vision Fund, a Senior Executive said. "The SoftBank Vision Fund is doing well, we are three years into it. We continue to be optimistic about them," Head of Mubadala Venture Capital, Ibrahim Ajami said. Mubadala has invested \$15bn in Softbank's Vision Fund I and has been in talks with Softbank about investment in a second technology fund. (Reuters)
- **Mubadala Capital seeks to double third-party funds to \$6bn** – Mubadala Capital, the investment arm of the Abu Dhabi sovereign wealth fund, is seeking to double the assets it manages for third-party investors. "One of the things you don't often hear in the same sentence is sovereign wealth funds managing third-party capital. We are raising our third fund as Mubadala Capital. We have 17 LPs, all of them are institutions," Mubadala Investment Co.'s Deputy Chief Executive Officer, Waleed Al Muhairi said. The unit, which currently manages \$25bn of its own and external capital, plans to boost that amount to \$40bn "over the medium-term horizon," he added. Of that, 15% or about \$6bn is expected to come from other institutional investors, almost doubling the \$3.4bn of third-party capital it currently manages. (Bloomberg)
- **Oman seeks better offers for the cargos; Trafigura trade volumes jump** – Oman LNG has asked potential buyers of its gas to pay higher prices for as many as 60 cargoes to be delivered from 2021 to 2025, according to Chief Marketing Officer, Mohammed Al-Naseeb, noting that revised offers must be submitted by December 17. Trafigura increased its LNG delivered volumes by 27% to 12.6mn tons in the year through September 30 due to higher activity in the US. Uniper is finalizing talks with Qatar on a long-term LNG supply contract for the company's planned German import terminal. Some of the fuel could come from the yet-to-be-built Golden Pass export project in Texas. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,474.74	0.7	1.0	15.0
Silver/Ounce	16.86	1.2	1.7	8.8
Crude Oil (Brent)/Barrel (FM Future)	63.72	(1.0)	(1.0)	18.4
Crude Oil (WTI)/Barrel (FM Future)	58.76	(0.8)	(0.7)	29.4
Natural Gas (Henry Hub)/MMBtu	2.28	4.1	(0.9)	(28.5)
LPG Propane (Arab Gulf)/Ton [#]	51.38	0.0	(0.2)	(19.7)
LPG Butane (Arab Gulf)/Ton	69.00	1.8	1.1	(0.7)
Euro	1.11	0.3	0.6	(2.9)
Yen	108.56	(0.1)	(0.0)	(1.0)
GBP	1.32	0.3	0.4	3.5
CHF	1.02	0.1	0.8	(0.1)
AUD	0.69	1.0	0.5	(2.5)
USD Index	97.13	(0.3)	(0.6)	1.0
RUB	63.28	(0.4)	(0.7)	(9.2)
BRL	0.24	0.6	0.4	(5.9)

Source: Bloomberg (*Market was closed on December 11, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,295.02	0.2	(0.1)	21.8
DJ Industrial	27,911.30	0.1	(0.4)	19.6
S&P 500	3,141.63	0.3	(0.1)	25.3
NASDAQ 100	8,654.05	0.4	(0.0)	30.4
STOXX 600	406.22	0.3	0.1	16.5
DAX	13,146.74	0.6	0.2	20.7
FTSE 100	7,216.25	(0.0)	(0.0)	10.8
CAC 40	5,860.88	0.3	0.1	20.0
Nikkei	23,391.86	(0.0)	0.1	18.7
MSCI EM	1,058.23	0.8	0.9	9.6
SHANGHAI SE Composite	2,924.42	0.2	0.4	14.6
HANG SENG	26,645.43	1.0	0.8	3.4
BSE SENSEX	40,412.57	0.5	0.7	10.4
Bovespa	110,963.90	0.8	0.7	18.6
RTS	1,463.15	0.6	1.0	36.9

Source: Bloomberg (*\$ adjusted returns)

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