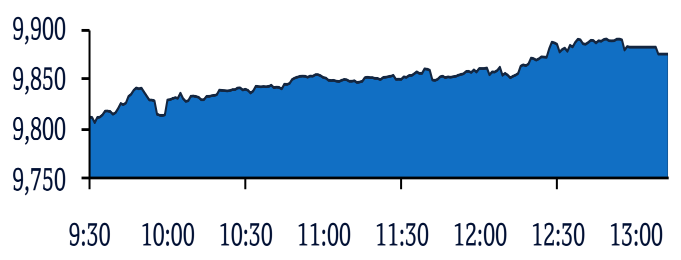
Daily Market Report

Monday, 14 September 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 1.2% to close at 9,878.1. Gains were led by the Real Estate and Consumer Goods & Services indices, gaining 5.3% and 2.0%, respectively. Top gainers were Ezdan Holding Group and United Development Company, rising 10.0% each. Among the top losers, INMA Holding fell 1.6%, while Qatar Electricity & Water Co. was down 0.7%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.8% to close at 8,203.6. Gains were led by the Media & Ent. and Capital Goods indices, rising 5.7% and 4.0%, respectively. Batic Investments and Logistics Co. and L'Azurde Co. For Jewelry were up 10.0% each.

Dubai: The DFM Index gained 0.2% to close at 2,274.4. The Services index rose 1.6%, while the Banks index gained 0.6%. Arabian Scandinavian Insurance Company rose 8.1%, while Al Salam Group Holding was up 4.1%.

Abu Dhabi: The ADX General Index fell 0.2% to close at 4,510.1. The Consumer Staples index declined 1.0%, while the Real Estate index fell 0.8%. Manazel Real Estate fell 2.8%, while Ras Al Khaimah Cement Company was down 2.6%.

Kuwait: The Kuwait All Share Index gained 0.4% to close at 5,345.1. The Technology index rose 6.4%, while the Financial Services index gained 1.6%. Aayan Leasing & Investment rose 21.6%, while Al Salam Group was up 10.6%.

Oman: The MSM 30 Index gained 0.2% to close at 3,691.9. Gains were led by the Industrial and Services indices, rising 0.2% and 0.1%, respectively. Oman & Emirates Investment Holding rose 4.4%, while Renaissance Services was up 1.9%.

Bahrain: The BHB Index gained 0.6% to close at 1,398.4. The Commercial Banks index rose 1.0%, while the Investment index gained 0.3%. Ithmaar Holding rose 1.9%, while GFH Financial Group was up 1.8%.

Market Indicators	13 Sep 20	10 Sep 20	%Chg.
Value Traded (QR mn)	723.1	554.2	30.5
Exch. Market Cap. (QR mn)	582,601.5	571,238.1	2.0
Volume (mn)	541.8	335.8	61.3
Number of Transactions	11,166	11,650	(4.2)
Companies Traded	47	47	0.0
Market Breadth	39:3	28:15	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,990.39	1.2	1.2	(1.0)	16.1
All Share Index	3,060.05	1.3	1.3	(1.3)	16.9
Banks	4,097.84	1.2	1.2	(2.9)	13.7
Industrials	2,991.27	1.0	1.0	2.0	26.0
Transportation	2,836.76	0.7	0.7	11.0	13.4
Real Estate	1,897.85	5.3	5.3	21.3	15.5
Insurance	2,102.79	0.3	0.3	(23.1)	32.7
Telecoms	901.55	0.5	0.5	0.7	15.2
Consumer	8,115.16	2.0	2.0	(6.1)	25.5
Al Rayan Islamic Index	4,120.39	1.6	1.6	4.3	19.2

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Savola Group	Saudi Arabia	51.20	4.5	541.5	49.1
Mouwasat Medical Serv.	Saudi Arabia	128.40	4.2	138.9	45.9
Qatar Fuel Company	Qatar	18.02	3.1	707.6	(21.3)
Dar Al Arkan Real Estate	Saudi Arabia	8.68	2.7	38,876.1	(21.1)
Yanbu National Petro. Co.	Saudi Arabia	59.30	2.2	635.9	6.1

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bank Muscat	Oman	0.38	(1.0)	360.6	(7.1)
Aldar Properties	Abu Dhabi	2.04	(1.0)	28,812.6	(5.6)
Arabian Centres Co. Ltd	Saudi Arabia	26.95	(0.9)	1,605.7	(7.5)
Boubyan Bank	Kuwait	0.59	(0.8)	581.7	(3.5)
Co. for Cooperative Ins.	Saudi Arabia	82.20	(0.7)	266.5	7.2

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	1.83	10.0	29,052.5	196.9
United Development Company	1.48	10.0	82,990.9	(2.7)
Qatar Cinema & Film Distribution	4.50	9.5	0.5	104.5
Aamal Company	0.97	4.8	37,402.3	19.1
Mazaya Qatar Real Estate Dev.	1.21	4.7	30,346.7	67.6

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
INMA Holding	4.80	(1.6)	2,701.7	152.6
Qatar Electricity & Water Co.	16.80	(0.7)	213.7	4.4
Qatar Islamic Bank	15.95	(0.3)	183.0	4.0

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.68	4.5	132,680.4	20.2
United Development Company	1.48	10.0	82,990.9	(2.7)
Qatar Aluminium Manufacturing	1.02	2.5	63,832.7	30.3
Salam International Inv. Ltd.	0.69	2.5	61,324.9	32.5
Aamal Company	0.97	4.8	37,402.3	19.1

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
United Development Company	1.48	10.0	120,113.9	(2.7)
Investment Holding Group	0.68	4.5	89,758.3	20.2
Qatar Aluminium Manufacturing	1.02	2.5	65,132.1	30.3
Ezdan Holding Group	1.83	10.0	52,164.8	196.9
Barwa Real Estate Company	3.56	0.7	43,848.6	0.5

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*	9,878.13	1.2	1.2	0.3	(5.3)	196.51	158,234.6	16.1	1.5	4.0
Dubai	2,274.38	0.2	0.2	1.3	(17.7)	66.49	86,145.9	8.6	0.8	4.2
Abu Dhabi	4,510.07	(0.2)	(0.2)	(0.2)	(11.1)	80.24	181,969.0	16.5	1.3	5.4
Saudi Arabia	8,203.57	0.8	0.8	3.3	(2.2)	3,482.39	2,430,706.6	29.9	2.0	2.5
Kuwait	5,345.12	0.4	0.4	1.0	(14.9)	139.57	100,980.1	28.8	1.3	3.7
Oman	3,691.91	0.2	0.2	(2.1)	(7.3)	1.35	16,611.0	11.0	0.7	6.6
Bahrain	1,398.41	0.6	0.6	1.3	(13.2)	4.87	21,285.9	13.0	0.9	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 1.2% to close at 9,878.1. The Real Estate and Consumer Goods & Services indices led the gains. The index rose on the back of buying support from Foreign shareholders despite selling pressure from Qatari, GCC and Arab shareholders.
- Ezdan Holding Group and United Development Company were the top gainers, rising 10.0% each. Among the top losers, INMA Holding fell 1.6%, while Qatar Electricity & Water Co. was down 0.7%.
- Volume of shares traded on Sunday rose by 61.3% to 541.8mn from 335.8mn on Thursday. Further, as compared to the 30-day moving average of 313.7mn, volume for the day was 72.7% higher. Investment Holding Group and United Development Company were the most active stocks, contributing 24.5% and 15.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	64.41%	66.57%	(15,608,201.8)
Qatari Institutions	12.55%	10.53%	14,664,573.6
Qatari	**76.97%**	**77.10%**	**(943,628.1)**
GCC Individuals	0.71%	1.01%	(2,178,322.3)
GCC Institutions	0.68%	0.89%	(1,514,086.5)
GCC	**1.38%**	**1.90%**	**(3,692,408.7)**
Arab Individuals	14.71%	15.77%	(7,624,839.5)
Arab	**14.71%**	**15.77%**	**(7,624,839.5)**
Foreigners Individuals	3.57%	3.42%	1,129,158.8
Foreigners Institutions	3.36%	1.82%	11,131,717.6
Foreigners	**6.94%**	**5.24%**	**12,260,876.4**

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

News

Qatar

- **QNB Group mandates banks for its first ever green bond –** QNB Group announced that Barclays Bank PLC, Crédit Agricole, HSBC, ING Bank N.V., QNB Capital LLC and Standard Chartered Bank (together "Joint Lead Managers") have been mandated to arrange its first ever green bond issuance under its Medium Term Note Program. A USD benchmark Reg S offering may follow subject to market conditions. (QSE)
- **UDCD renews credit facility agreement worth QR766mn –** United Development Company (UDCD) has renewed credit facilities worth QR766mn with the objective of general credit facilities. The renewal agreement was entered with The Commercial Bank (CBQK) and the method of payment is one payment after three years. There is no impact on the financial position of the company due to the completion of this transaction. The advantage is to contribute in providing general credit facilities, and there is no negatives impact or risks. There is no conflict of interest between relevant persons in the transaction and there is also no change in ownership percentages before and after the completion of the transaction. (QSE)
- **UDCD renews credit facility agreement worth QR728mn –** United Development Company (UDCD) has renewed credit facilities worth QR728mn with the objective of general credit facilities. The renewal agreement was entered with QNB Group (QNBK) and the method of payment and the sources of financing the operation is one payment after three years. There is no impact on the financial position of the company due to the completion of this transaction. The advantage is to contribute in providing general credit facilities, and there is no negatives impact or risks. There is no conflict of interest between relevant persons in the transaction and there is also no change in ownership percentages before and after the completion of the transaction. (QSE)
- **UDCD renews credit facility agreement worth QR730mn –** United Development Company (UDCD) has renewed credit facilities worth QR730mn with the objective to develop Al Mutahidah Towers in the Pearl-Qatar. The renewal agreement was entered with The Commercial Bank (CBQK) and the method of payment is installments over approximately 10 years. There is no impact on the financial position of the company due to the completion of this transaction. The advantage is to contribute in developing Al Mutahidah Towers in the Pearl-Qatar, and there is no negatives impact or risks. There is no conflict of interest between relevant persons in the transaction and there is also no change in ownership percentages before and after the completion of the transaction. (QSE)
- **Qatar WC throws lease options for property owners –** The 2022 FIFA World Cup extends property owners in Qatar a chance to lease out their properties to host football fans and visitors, a senior labor ministry official has said. The ministry and the World Cup organizer - the Supreme Committee for Delivery and Legacy (SC) - have signed an MoU in this regard, said the Director of Government Housing and Buildings Department at the Ministry of Administrative Development, Labour and Social Affairs (MADLSA), Mubarak Hamdan Al Arabeed has said. As per the MoU, property owners and companies with multiple existing or under-construction residential accommodation units can register their properties to lease them out to SC. Selected properties will be leased for at lease five year, he said, adding that after the World Cup, the properties will be used to accommodate employees under a government housing program. Recently 150 private properties in Qatar have been identified for hosting FIFA World Cup 2022 fans and visitors. Work is currently underway to receive the requests from property owners, Arabeed said. The properties should be ready for leasing between August 2021 and January 2022, he said. (Qatar Tribune)
- **Ashghal completes 98% of roads connecting FIFA World Cup Qatar 2022 stadiums –** The Public Works Authority (Ashghal) has completed 98% of roads serving the FIFA World Cup Qatar 2022 stadiums, a giant leap in the country's preparations for the mega event, a senior official told Gulf Times. "The remaining works will be completed by the first quarter of 2021," Projects Affairs Director Youssef Al-Emadi said on the sidelines of the

first phase opening of Sabah Al Ahmad Corridor on Saturday. About 75% of works have been completed on Sabah Al Ahmad Corridor, which will facilitate access to most of the FIFA World Cup Qatar 2022 stadiums including Ras Bu Abboud, Al Thumama, Al Wakra, Khalifa International and Qatar Foundation stadiums. (Gulf-Times.com)

- **Al-Kaabi: IQCD proposed purchase of QP's 25% stake in QAFCO to bring higher returns, build-up IQCD's presence in fertilizers –** Independent financial analysis has shown Industries Qatar's (IQCD) proposed purchase of Qatar Petroleum's (QP) 25% stake in the share capital of Qatar Fertilizer Company (QAFCO) for a purchase consideration of $1bn will not only bring higher returns to the company but also build-up IQCD's presence in the fertilizers sector, said HE the Minister of the State for Energy Affairs, Saad bin Sherida Al-Kaabi. QAFCO has a proven track record of operational excellence and a strong market position, he said in his opening remarks at IQCD's virtual Extraordinary General Assembly. Al-Kaabi, also IQCD's Chairman and Managing Director, said, "As part of IQCD's management efforts to adhere to the principles of good governance, while upholding the company's interest in a way that enhances the shareholders' value, an independent financial evaluator registered with the Qatar Financial Markets Authority was engaged to evaluate the proposal to acquire 25% stake in QAFCO." Al-Kaabi said, "Moreover, the proposal to purchase this stake in QAFCO is consistent with IQCD's strategy and continued efforts to build its presence and add value across the downstream sector using the free cash flows available in an efficient and effective manner that is aligned with our central strategy and core business. The transaction would make Industries Qatar the sole proprietor of QAFCO's share capital with a full control over Qatar Fertilizer Company, and therefore would provide Industries Qatar an opportunity to make strategic decisions. On the other hand, the company will also look for more opportunities to further enhance its position in the downstream sector." The EGM, which was held electronically, was to approve the purchase of the 25% stake in QAFCO from QP for a purchase consideration of $1bn. It was also meant to approve the proposed amendments to the company's Articles of Association concerning the constitution of its Board of Directors. The EGM also delegated IQCD's board of directors to negotiate, approve, sign and take all actions necessary to finalize a long-term strategic agreement regulating the relationship between QP and IQCD. (Gulf-Times.com)
- **Qatar Chamber: Private sector exports return to pre-coronavirus levels –** The total value of Qatar's foreign merchandise trade in June 2020 stood at QR19.6bn, reflecting a 9.8% growth from QR19.3bn in April this year, according to Qatar Chamber's latest monthly economic newsletter. The August 2020 issue of the chamber's newsletter cited figures from the Planning and Statistics Authority (PSA) about the total value of Qatar's foreign merchandise trade in June 2020, and the private sector's exports according to certificates of origin issued by the chamber. The total exports of goods in June, including those of domestic origin and re-exports, amounted to QR12.7bn, while imports during the same month stood at around QR6.9bn. "Therefore, the foreign merchandise trade balance, which represents the difference between total exports and imports, showed a surplus of QR5.8bn, recording an increase of 7.4% compared to QR5.4bn in May," the newsletter stated. The newsletter reported that China was Qatar's largest trade partner in June 2020 with trade exchange volume close to QR3.2bn, or a 16.3% share of Qatar's total foreign trade. Similarly, the private sector's exports in June showed a rebound in the national economy for the second month in a row, witnessing a significant MoM increase of 60% from QR609mn in May 2020 to QR973mn in June. Exports through the GCC model certificate of origin form have the largest value in June, increasing 93% MoM, while the lowest was the Unified Arab certificate which increased by only 19%, the newsletter stated. On private sector exports of in the first half of the year, "it is obvious that they have steadily improved, recording a 70% growth compared to 47% in April, which was the lowest value due to the precautionary measures to face the pandemic of coronavirus," it further reported. (Gulf-Times.com)
- **Qatar attracts $4.5bn FDI in five years –** Qatar has managed to attract foreign direct investments (FDI) worth $4.5bn over the past five years, Qatar Chamber reported in its latest newsletter. The chamber's monthly economic newsletter for August 2020 highlighted the most prominent trends in the Qatari economy, as well as statistics related to foreign trade and trade of the private sector in May this year. Citing a quarterly newsletter issued by the Arab Investment and Export Credit Guarantee Corporation for 2Q2020, the chamber reported that FDI inflow to Qatar in the past five years stood at $4.5bn. The report, prepared by Qatar Chamber's Researches and Studies Department, also discussed the impact of COVID-19 as well as digital transformation stating that Qatar ranked in a higher position in the field of ITC, both regionally and globally. Qatar Chamber also cited the Global Economic Competitiveness Report 2019 issued by the World Economic Forum (WEF) wherein Qatar ranked eighth globally in "ICT Adoption Pillar" and ranked first internationally and in the Arab world in the "Internet User" indicator, and the spread of high-speed Internet services (broadband). (Gulf-Times.com)

International

- **British business calls for green recovery, policies to meet net zero –** Britain's leading business group has called on the government to implement green measures to help the economy recover from the coronavirus pandemic, and bring forward policies to enable to country to meet its climate targets. Britain last year set a target to reach net-zero emissions by 2050 but its economy is suffering from the effects of measures designed to slow the spread of the coronavirus. Britain's economy saw sharpest second-quarter fall of any Group of Seven nation in the April-June period. "To ensure that the 2020s continue to be a decade of delivery on net zero there needs to be step-change in the pace of investment, supported by government," the Confederation of British Industry (CBI) said in its Green Economic Recovery Roadmap published on Monday. The CBI called on government to accelerate the delivery of electric vehicle charging points, pledge at least 1bn Pounds ($1.28bn) to fund hydrogen testing programs and create jobs by setting up schemes to make homes more energy efficient. It also said the government should publish its Energy White Paper and National Infrastructure strategies to foster investment in new projects and introduce a financing model to encourage investment in new nuclear plants. The country should strive to become a world leader in carbon capture utilization and storage technology and create an Office for Sustainable Aviation Fuels. The CBI also said Britain must show leadership on climate change ahead of hosting next year's international climate talks, COP 26. "The timing of COP 26 next year represents a clear deadline for a national net-zero strategy to be in place," it said. (Reuters)

- **ECB's Lagarde shifts burden to governments to aid recovery –** Eurozone governments must keep spending heavily to aid the bloc's recovery from its historic pandemic-induced recession, complementing already super-easy monetary policy, European Central Bank (ECB) President Christine Lagarde said on Sunday. With debt levels blowing past 100% of GDP this year, concerns are rising that politicians will struggle to push through more support and some subsidies, raising the risk that employment and income schemes could abruptly end. "Confidence in the private sector rests to a very large extent on confidence in fiscal policies," Lagarde said in a speech. "Continued expansionary fiscal policies are vital to avoid excessive job shedding and support household incomes until the economic recovery is more robust." Employment subsidy schemes have already been extended in several countries but some are advocating longer, one- or two-year extensions to bolster confidence while the bloc recovers from recession that could slash 8% from output this year. "Keeping job support schemes in place is critical to avoid a sharp increase in unemployment later in the year," she added in a speech to the Annual Meeting of the Council of Governors of the Arab Central Banks and Monetary Authorities. Lagarde also urged a final deal on the European Union's 750bn Euro recovery fund, which is still under negotiation and subject to political bickering. For its part, the ECB is ready to adjust all of its instruments as needed since there is no place for complacency, Lagarde said, largely repeating the bank's standing message. The ECB has eased policy several times this year and now estimates that its measures will add 1.3 percentage points to growth and 0.8 percentage point to inflation through 2022. Lagarde also repeated her comments from Thursday that the ECB would "carefully" assess incoming data, including the Euro's strengthening, which risked dampening both growth and inflation. (Reuters)
- **Ireland: Brexit trade talks have window before contentious UK law can take effect –** British and European Union (EU) negotiators are likely to have a few weeks to avoid a breakdown of trade talks, but that window will close if a contentious British bill becomes law, Irish Foreign Minister Simon Coveney said on Sunday. British lawmakers will on Monday begin debating the Internal Markets Bill, which the EU has said is unacceptable and would breach a divorce treaty agreed with the bloc. "I think there is an important window here before this legislation becomes law to try to make progress on some of the issues that the UK seems to have a problem with. The way to do that is through negotiation," Coveney told RTE radio in an interview. The British government has accused EU negotiators of threatening to impose a food blockade between mainland Britain and Northern Ireland and says the proposed legislation would prevent that. But Irish officials have suggested that progress on a zero-tariff free-trade deal between Britain and the European Union might supersede those British concerns. Coveney said the EU would not negotiate further should the British bill become law. But he said the delay between the bill being proposed and entering law created a window of opportunity. "This legislation I believe will probably get delayed somewhat coming through the Houses of Parliament in the UK, particularly in the House of Lords," he said. (Reuters)
- **Europe, Britain's carmakers warn of 110bn Euro hard Brexit bill –** Europe and Britain's car industries called on Monday on the two sides to urgently clinch a free trade agreement, warning that a disorderly Brexit would cost the sector 110bn Euros (£101.79bn) in lost trade over the next five years. Less than four months before a post-Brexit transition period ends in December, Britain and the European Union's talks on a trade deal for 2021 onwards have been plunged into crisis, after Britain tabled a plan to break the divorce treaty both sides signed in January. Failure to secure a deal would lead to tariffs. That would make vehicles more expensive and cause a drop in demand that could eliminate production of 3mn vehicles over the next five years, 23 auto industry associations said in a joint statement on Monday. That could cost EU plants 57.7bn Euros and UK factories 52.8bn Euros, they said. Associations that signed the statement included SMMT, the European Automobile Manufacturers' Association, the European Association of Automotive Suppliers and Germany's Association of the Automotive Industry. A hard Brexit would see World Trade Organization tariffs applied to trade across the English Channel, adding to pressure on Europe's car industry which is already reeling from the economic fallout of the coronavirus pandemic. The tariffs, of 10% for cars and up to 22% for trucks and vans, would "almost certainly" need to be passed onto consumers, the associations said. These losses would come on top of an estimated 100bn Euros in lost UK and EU production value so far this year, as car sales plunged during the pandemic. New passenger car registrations in the EU dropped by 38% in the first half of 2020, compared with the same period last year, while sales in Britain saw a 49% drop. (Reuters)
- **Spain to extend coronavirus job protection measure until year-end –** Spain plans to extend until the end of the year a measure preventing employers from using the coronavirus pandemic as an excuse to fire staff, a source with knowledge of the matter said on Sunday. The government approved measures in March to prevent employers using COVID-19 as a reason to dismiss employees while the health crisis lasted. Ministers are currently negotiating with unions and business groups to extend a furlough scheme, known as ERTE, beyond September when it was due to expire. As part of these negotiations, the government is proposing to extend the ban on dismissing staff because of COVID-19 until year-end, the source said. Spanish media reports about the proposed extension gave a precise date - December 31 - for the expiry of the measure. Currently, there are about 800,000 workers in Spain who are on the furlough scheme, compared to 2.5mn when the government declared a state of emergency in March. (Reuters)
- **Reuters Tankan: Japan manufacturers remain gloomy for 14th month –** Japan's manufacturers remained pessimistic for the 14th straight month in September, and though the gloom eased somewhat the broad results of the Reuters Tankan survey

pointed to a painfully slow recovery for the coronavirus-stricken economy. The result underlines the huge challenge the country's next leader succeeding Prime Minister Shinzo Abe will face to boost growth and corporate and consumer sentiment after the economy sunk into its deepest recession on record. Monday's poll, which tracks the Bank of Japan's closely watched "tankan" quarterly survey, showed manufacturers' morale mirrored frail sales in key sectors such as auto and the construction industry. "Sales for cars as well as construction machinery are not recovering," a manager of a transportation equipment maker wrote in the Reuters poll of 485 large- and mid-sized companies, in which 256 firms replied on condition of anonymity. The Reuters Tankan sentiment index for manufacturers inched up to minus 29 in September from minus 33 in the previous month, still deeply pessimistic even though it marked the least gloomiest level in six months. The materials industries such as steel, nonferrous metals, textiles and paper put a drag on the overall sentiment index. The service-sector index stood at minus 18, up from minus 23 in August, but sentiment among wholesalers, transport and utilities weighed on broad business confidence. The Reuters Tankan index readings are calculated by subtracting the percentage of respondents who say conditions are poor from those who say they are good. A negative reading means that pessimists outnumber optimists. (Reuters)

- **China's new home prices growth steady, supports economic recovery –** New home prices in China rose at a slightly faster monthly pace in August, as consumer demand showed signs of picking up in a boost to an economy recovering from the coronavirus crisis. Average new home prices in 70 major cities climbed 0.6% in August from a month earlier, a touch better than a 0.5% increase in July, according to Reuters calculations based on data released by the National Bureau of Statistics on Monday. On an annual basis, home prices rose 4.8% in August, matching July's pace. The property market has been a major driver in China's economic recovery, with home sales and investment growing at a robust pace in recent months after coronavirus lockdowns were lifted. Yet policymakers remain wary about the risks of overheating, long one of the key balancing acts for authorities as they try to support a crucial sector of the economy without stoking excessive speculation. Since July, many major cities have imposed new restrictions on property transactions to arrest sharp price rises. Big provincial capitals Hangzhou and Shenyang also strengthened curbs on home purchases this month. Most of the 70 cities surveyed by the NBS reported monthly price increases for new homes, with the number unchanged from 59 in July. Tier-3 cities reported the strongest monthly gains. Huizhou, a small city in China southern Guangdong province which is close to Shenzhen, was the top performer in August, notching up a monthly price increase of 1.9%. Regulators said last month they would institute new rules to control liquidity in the real estate market and are looking to contain property developers' debt levels to reduce risks to the financial system. (Reuters)
- **China opens anti-subsidy probe on some US glycol ethers imports –** China's commerce ministry said on Monday it launched an anti-subsidy investigation on some glycol ethers imports from the United States starting from September 14. China had in late August launched an anti-dumping probe into the same product imports from the US. Both probes followed calls for investigations made by Jiangsu Yida Chemical Co and its two units on July 17 on behalf of the domestic glycol ethers industry, according to the Ministry of Commerce. The chemical is widely used in areas including automobile brake fluid and de-icing products for aircraft fuel. (Reuters)

Regional

- **OPEC+ bid to rescue oil market falters as demand recovery stalls –** OPEC and its allies will convene online, and reflect on whether the coronavirus has thwarted their best efforts to keep the market afloat. After reviving crude prices from an unprecedented collapse over the spring, OPEC+ is seeing the recovery stall and fuel demand falter as the deadly pandemic surges once again. Prices slipped below $40 a barrel last week for the first time since June. On Thursday, Saudi Arabia and Russia, the leading members of the alliance, will chair a monitoring meeting to assess whether the vast production cuts, which they started easing in August, are still staving off an oil glut. New signs of exporters reneging on the deal are not helping. "There were some major assumptions built in on where demand and the recovery would be now, and it just hasn't happened," an Analyst at research firm Medley Global Advisors, Mohammad Darwazah said. "If I'm OPEC and if I'm Saudi Arabia, I would be concerned." (Bloomberg)
- **Saudi Electricity's $1.3bn green sukuk oversubscribed –** State-controlled Saudi Electricity Company (SEC) has generated a lot of investor interest for its $1.3bn international green Sukuk offering, which received orders of more than $5bn, it has been confirmed. The Kingdom's electric transmission monopoly last week announced the sale of bonds in a two-part offering, denominated in US Dollars. It is the first public green issuance from the region this year and the proceeds will be used for green-friendly projects. The high interest received from investors in the Middle East, Asia and Europe pushed the oversubscription rate to four times, the company said in bourse filing on Sunday. "The Green Sukuk issuance received high demand from international investors and was four times oversubscribed," the company said A total of 6,500 bonds, or Sukuk, were issued, with the maturity set for five and ten years. A fixed profit rate of 1.74% per annum was assigned for the five-year tranche and 2.413% for the ten-year tranche. "The total orders value for both tranches exceeded $5.2bn," the company said. (Zawya)
- **Saudi Telecom says no deal reached on Vodafone Egypt stake –** Saudi Arabia's largest telecoms operator Saudi Telecom Co (STC) on Sunday said no agreement has been reached to buy a 55% stake in Vodafone Egypt, and that the parties have agreed to keep dialogue open. In January, STC signed a non-binding agreement to buy the stake for $2.4bn, extending the offer in April and again in July. Originally expected to close in June, the deal would have been STC's biggest in over a decade and valued Vodafone Egypt at $4.4bn. STC ended the second extension "without reaching an agreement to conclude the transaction due to misalignment with relevant parties," it said in a stock exchange filing. The non-binding agreement was reached before the coronavirus crisis struck and STC cited logistical challenges caused by the pandemic when it announced a 90-day extension in April. With 44mn subscribers and a 40%

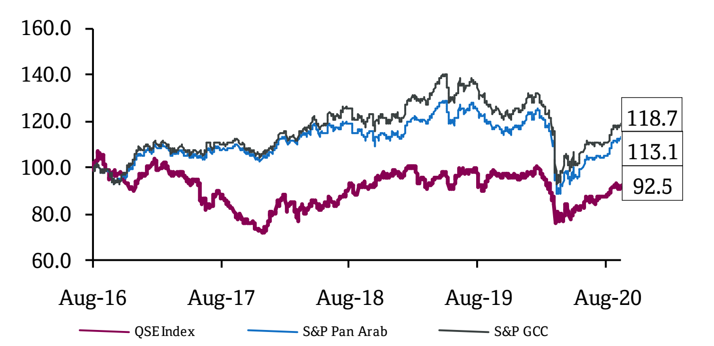
market share, Vodafone Egypt is the country's biggest mobile operator. STC is majority owned by Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF). (Reuters)

- **Saudi mall operator Arabian Centres sells Al Bawarij shares for $10mn –** Saudi mall operator Arabian Centres Company has divested all of its shares in Al Bawarij International for Development and Real Estate Investment Co. for $10mn. In a statement to the Saudi Stock Exchange, the company said the sale was valued at SR40.4 and was completed on September 10, 2020. It said that the transaction included its "entire remaining shares" in Al Bawarij. "The financial impact of this transaction will be reflected on the company's results for the second quarter ending 30 September 2020," the company said. The mall operator had earlier announced that it gained some SR36.72mn in proceeds from the initial public offering (IPO) of Amlak International for Real Estate last July 2020. The proceeds represent 30% of the company's indirect ownership in Amlak. (Zawya)
- **Marafiq consortium inks $280mn Saudi sewage plant finance deal –** Marafiq, a leading power and water utility company for Jubail and Yanbu, said its consortium comprising key partners - Veolia and Amwal AlKhaleejiah - has signed an agreement with Saudi Water Partnership Company (SWPC) for the financial closing of $280mn ISTP (independent sewage treatment plant) project in Jeddah. Marafiq is the lead developer in Jeddah Airport 2 ISTP and has a wealth of experience as an integrated utility service provider to major industrial cities in Saudi Arabia. Despite the Covid-19 pandemic, the consortium's partners have issued a notice to proceed with the EPC contractor as per the agreement with SWPC. Stage one, which will treat 300,000 cubic meter of wastewater per day, is scheduled to be commissioned on January 31, 2023. The second stage is likely to add another 200,000 cubic meter per day when the new STP capacity exceeds specific utilization rates. According to Marafiq, the Jeddah Airport 2 ISTP will be developed on a build, own, operate and transfer (BOOT) concession model under a 25-year Public-Private Partnership (PPP) scheme. Marafiq's key partners Veolia and Amwal AlKhaleejiah will support the development, financing, engineering, procurement, construction, implementation, ownership, operation, maintenance, and transfer of the Jeddah Airport 2 ISTP (Independent Sewage Treatment Plant). The total project costs have been structured as non-recourse project finance, with funding sourced from a combination of senior project finance loans by the National Commercial Bank (NCB) and equity contributions from shareholders. (Zawya)
- **Gulf Union, Al-Ahlia Insurance shareholders to vote on merger deal on October 5 –** Shareholders of Gulf Union Cooperative Insurance Co. will vote on the terms and conditions of the company's merger deal signed with Al-Ahlia Insurance Co. on June 4 in the extraordinary general meeting (EGM) scheduled for October 5. They will also vote on increasing capital from SR150mn to SR229.47mn, the company said in a bourse statement on Sunday. Shareholders will also discuss changing the company's name to Gulf Union-Al-Ahlia Insurance Co. upon completion of the merger. Gulf Union's board of directors will be authorized to take any decision necessary with respect to the abovementioned agenda items, the statement added. Shareholders registered in Tadawulaty system will be able to participate and vote on the agenda items as of Thursday, October 1. In a separate statement, Al-Ahlia Insurance said that its shareholders will vote on the merger offer made by Gulf Union, which will issue 7.95mn compensation shares in consideration of all issued capital in Al-Ahlia. Al-Ahlia's shareholders will also discuss approving the merger deal and authorizing the board of directors to take any decision necessary with respect to the abovementioned agenda items, the statement added. The Saudi Capital Market Authority (CMA) approved on August 31 Gulf Union's request to increase its capital from SR150mn to SR229.47mn by issuing 7.95mn ordinary shares to merge with Al-Ahlia Insurance Co. (Tadawul, Bloomberg)
- **Boursa Kuwait to list shares on Premier Market today –** Underscoring its pivotal role in the growth and development of Kuwait's capital markets, Boursa Kuwait announced that it will list its shares on the "Premier Market" following the Capital Markets' Authority's approval on Wednesday, September 2, 2020. Trading of the company's shares will commence during the opening trading session on Monday, September 14, 2020, under the ticker symbol "BOURSA". The company will be classified under the "Financial Services" sector, bringing the total number of companies on the exchange to 174, while the number of listed companies in the "Premier" Market rises to 20 companies. Boursa Kuwait's position as a regional leader among stock exchanges continues to be reinforced with the listing of the bourse on the local stock exchange, continuing a series of firsts for the company. It is the first stock exchange to be at least 90% owned by the private sector in the Middle East and the first government entity in Kuwait to successfully undergo privatization. The listing is considered the fruit of the company's labors and continuous efforts to institute long-term reforms on both the company level and in the Kuwaiti capital market since its establishment, as well as introducing products and services compatible with the best-in-class international standards, all in line with the company's vision to develop a liquid and transparent financial market, which allows issuers effective access to capital and provides investors with diversified revenue opportunities. The company's paid-up capital amounts to approximately KD20.1mn, which are divided into approximately 201mn shares. Furthermore, around 50% of the company's shares, or what amounts to around 100mn shares, were offered to Kuwaiti citizens in an initial public offering process that concluded in December 2019, seeing an oversubscription rate of 850%. Boursa Kuwait saw a net profit of KD5.63mn for first half of 2020 while the company's total assets came in at approximately KD41.7mn. Total operating expenses were KD3.12mn while total operating revenue came in at KD6.77mn. (Zawya)
- **Gulf Cement finalizes withdrawal from Boursa Kuwait –** Gulf Cement Company has finalized its withdrawal from Boursa Kuwait and the last day of its trading will be December 14, 2020. The company, founded in Ras Al Khaimah in 1977, first proposed withdrawing from the market in March. It released a statement to ADX on Sunday stating it had obtained approval from the Capital Markets Authority in Kuwait to withdraw from Boursa Kuwait. Financial reports posted on Boursa Kuwait in August show that the company's accumulated losses as of June

30, 2020 were AED91.5mn. Notes in the report stated that the performance of the company had been negatively affected by COVID-19, as it materially impacted the demand and selling price for the company's products. (Zawya)

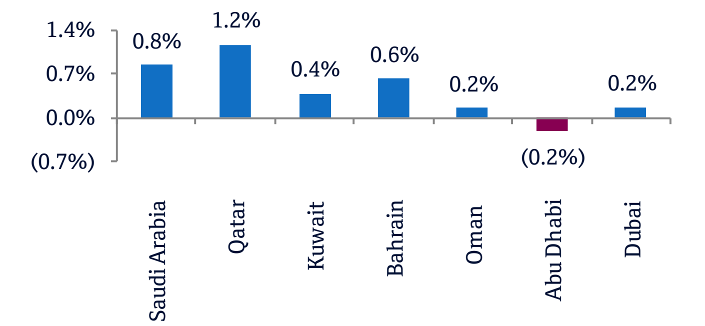
- **Gulf International Bank said to hire advisors for Dollar bond –** Gulf International Bank, whose main shareholder is Saudi Arabia's sovereign wealth fund, Public Investment Fund (PIF) hired firms including HSBC Holdings to arrange its first international bond sale in three years, sources said. Standard Chartered and First Abu Dhabi Bank are among other advisers chosen for the debt sale, sources said. The bonds are likely to be offered as soon as this week, sources added. Gulf International Bank last tapped international bond markets in 2017, when it sold $500mn of securities, according to data compiled by Bloomberg. Moody's Investors Service rates the lender's notes Baa1, the third-lowest investment grade. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,940.55	(0.3)	0.3	27.9
Silver/Ounce	26.73	(0.5)	(0.7)	49.7
Crude Oil (Brent)/Barrel (FM Future)	39.83	(0.6)	(6.6)	(39.7)
Crude Oil (WTI)/Barrel (FM Future)	37.33	0.1	(6.1)	(38.9)
Natural Gas (Henry Hub)/MMBtu	1.93	(9.4)	7.2	(7.7)
LPG Propane (Arab Gulf)/Ton	47.00	3.3	(2.1)	13.9
LPG Butane (Arab Gulf)/Ton	53.75	5.4	2.9	(17.9)
Euro	1.18	0.3	0.1	5.6
Yen	106.16	0.0	(0.1)	(2.3)
GBP	1.28	(0.1)	(3.6)	(3.5)
CHF	1.10	0.2	0.5	6.5
AUD	0.73	0.4	0.0	3.7
USD Index	93.33	(0.0)	0.7	(3.2)
RUB	75.04	(0.2)	(0.5)	21.1
BRL	0.19	0.0	(0.3)	(24.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,368.14	0.0	(1.3)	0.4
DJ Industrial	27,665.64	0.5	(1.7)	(3.1)
S&P 500	3,340.97	0.1	(2.5)	3.4
NASDAQ 100	10,853.54	(0.6)	(4.1)	21.0
STOXX 600	367.96	(0.0)	1.7	(6.7)
DAX	13,202.84	(0.2)	2.8	5.2
FTSE 100	6,032.09	0.2	0.4	(22.9)
CAC 40	5,034.14	0.0	1.4	(11.2)
Nikkei	23,406.49	0.8	1.0	1.5
MSCI EM	1,091.79	0.6	(0.7)	(2.1)
SHANGHAI SE Composite	3,260.35	0.8	(2.7)	8.9
HANG SENG	24,503.31	0.8	(0.8)	(12.6)
BSE SENSEX	38,854.55	0.2	1.0	(8.7)
Bovespa	98,363.20	(0.2)	(2.9)	(35.5)
RTS	1,223.05	0.5	0.2	(21.0)

Source: Bloomberg (*$ adjusted returns)

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