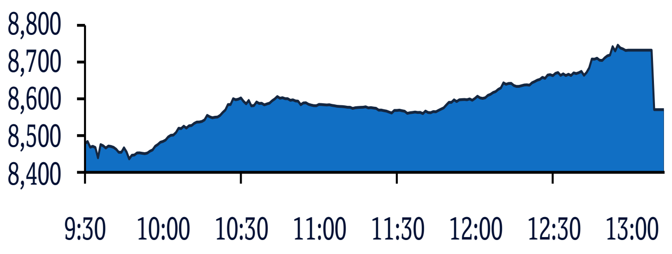
Daily Market Report

Sunday, 22 March 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 1.0% to close at 8,576.6. Losses were led by the Industrials and Real Estate indices, falling 2.0% and 1.5%, respectively. Top losers were Masraf Al Rayan and Al Khalij Commercial Bank, falling 7.9% and 6.4%, respectively. Among the top gainers, Ooredoo gained 4.5%, while Mazaya Qatar Real Estate Development was up 3.9%.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.8% to close at 6,267.6. Gains were led by the Consumer Serv. and Consumer Durables indices, rising 4.7% and 4.0%, respectively. Arabian Centres Co. rose 9.2%, while Astra Industrial Group was up 9.1%.

Dubai: The DFM Index gained 2.8% to close at 1,819.2. The Real Estate & Construction index rose 9.2%, while the Consumer Staples index gained 7.4%. Union Properties rose 14.6%, while Dubai Islamic Insurance and Reinsurance Co. was up 14.2%.

Abu Dhabi: The ADX General Index gained 8.4% to close at 3,685.6. The Banks index rose 12.0%, while the Telecommunication index gained 6.9%. First Abu Dhabi Bank rose 14.9%, while Abu Dhabi Commercial Bank was up 14.4%.

Kuwait: The Kuwait All Share Index gained 3.7% to close at 4,608.1. The Telecommunications index rose 5.3%, while the Banks index gained 5.1%. Kuwait Foundry Co. rose 30.2%, while OSOUL Investment was up 14.9%.

Oman: The MSM 30 Index fell 1.1% to close at 3,567.4. Losses were led by the Financial and Services indices, falling 1.0% and 0.6%, respectively. Renaissance Services declined 9.9%, while Construction Materials Industries was down 5.9%.

Bahrain: The BHB Index gained 2.4% to close at 1,408.6. The Commercial Banks index rose 4.9%, while the Investment index gained 0.1%. Ahli United Bank rose 9.9%,

Market Indicators	19 Mar 20	18 Mar 20	%Chg.
Value Traded (QR mn)	744.9	380.3	95.8
Exch. Market Cap. (QR mn)	489,147.4	489,462.1	(0.1)
Volume (mn)	224.7	147.0	52.8
Number of Transactions	12,710	10,818	17.5
Companies Traded	45	47	(4.3)
Market Breadth	11:32	24:23	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	16,321.39	(0.4)	5.1	(14.9)	12.6
All Share Index	2,679.09	0.1	6.1	(13.6)	14.1
Banks	3,943.45	0.5	8.8	(6.6)	13.7
Industrials	2,144.58	(2.0)	(0.0)	(26.9)	15.7
Transportation	2,310.80	0.4	7.4	(9.6)	12.0
Real Estate	1,207.32	(1.5)	1.2	(22.9)	9.6
Insurance	2,043.28	0.6	1.4	(25.3)	35.6
Telecoms	739.86	3.3	10.5	(17.3)	12.8
Consumer	6,875.74	(0.2)	2.0	(20.5)	16.1
Al Rayan Islamic Index	3,176.77	(1.5)	1.5	(19.6)	13.4

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
First Abu Dhabi Bank	Abu Dhabi	9.39	14.9	11,271.8	(38.1)
Abu Dhabi Comm. Bank	Abu Dhabi	5.08	14.4	6,490.2	(35.9)
Emaar Properties	Dubai	2.23	12.1	34,201.8	(44.5)
Ahli United Bank	Bahrain	0.78	9.9	3,306.4	(26.2)
Arabian Centres Co	Saudi Arabia	21.38	9.2	2,886.6	(26.7)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Masraf Al Rayan	Qatar	3.66	(7.9)	25,336.5	(7.6)
Mabanee Co.	Kuwait	574.0	(4.5)	19,271.7	(36.6)
Mouwasat Medical Serv.	Saudi Arabia	74.70	(3.6)	590.3	(15.1)
Sohar International Bank	Oman	0.08	(3.4)	2,843.7	(23.6)
Ahli Bank	Oman	0.14	(2.9)	7.7	4.6

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%
Ooredoo	5.75	4.5	4,447.2	(18.8)
Mazaya Qatar Real Estate Dev.	0.54	3.9	16,705.9	(25.0)
QNB Group	18.81	2.8	12,555.3	(8.6)
Qatar Insurance Company	2.12	1.5	8,283.7	(32.9)
Qatar Navigation	5.50	0.9	1,371.9	(9.8)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
United Development Company	0.86	(5.2)	52,661.7	(43.4)
Masraf Al Rayan	3.66	(7.9)	25,336.5	(7.6)
Mazaya Qatar Real Estate Dev.	0.54	3.9	16,705.9	(25.0)
QNB Group	18.81	2.8	12,555.3	(8.6)
The Commercial Bank	4.14	(1.4)	11,037.9	(11.9)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Masraf Al Rayan	3.66	(7.9)	25,336.5	(7.6)
Al Khalij Commercial Bank	1.17	(6.4)	660.5	(10.7)
Qatar National Cement Company	3.48	(5.9)	5,392.5	(38.4)
Mannai Corporation	2.83	(5.5)	38.5	(8.0)
United Development Company	0.86	(5.2)	52,661.7	(43.4)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.81	2.8	235,466.0	(8.6)
Masraf Al Rayan	3.66	(7.9)	92,794.9	(7.6)
United Development Company	0.86	(5.2)	46,149.7	(43.4)
The Commercial Bank	4.14	(1.4)	45,843.8	(11.9)
Industries Qatar	7.06	(1.9)	44,207.6	(31.3)

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*	8,576.59	(1.0)	4.2	(9.6)	(17.7)	202.94	133,243.7	12.6	1.2	4.6
Dubai	1,819.24	2.8	(10.5)	(29.8)	(34.2)	103.51	73,932.6	6.6	0.6	6.8
Abu Dhabi	3,685.56	8.4	(6.0)	(24.8)	(27.4)	70.29	109,606.6	10.9	1.0	6.7
Saudi Arabia	6,267.56	1.8	(1.4)	(17.8)	(25.3)	2,105.12	1,955,061.3	17.4	1.5	4.3
Kuwait	4,608.07	3.7	(6.0)	(24.1)	(26.7)	300.74	84,464.7	11.8	1.1	4.7
Oman	3,567.40	(1.1)	(4.5)	(13.6)	(10.4)	114.79	15,620.1	7.1	0.7	8.3
Bahrain	1,408.58	2.4	(1.9)	(15.2)	(12.5)	8.06	21,883.3	10.1	0.8	5.1

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

Qatar Market Commentary

- The QE Index declined 1.0% to close at 8,576.6. The Industrials and Real Estate indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Masraf Al Rayan and Al Khalij Commercial Bank were the top losers, falling 7.9% and 6.4%, respectively. Among the top gainers, Ooredoo gained 4.5%, while Mazaya Qatar Real Estate Development was up 3.9%.
- Volume of shares traded on Thursday rose by 52.8% to 224.7mn from 147.0mn on Wednesday. Further, as compared to the 30-day moving average of 117.7mn, volume for the day was 90.9% higher. United Development Company and Masraf Al Rayan were the most active stocks, contributing 23.4% and 11.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	16.27%	24.31%	(59,865,808.08)
Qatari Institutions	25.96%	16.92%	67,307,032.95
Qatari	**42.23%**	**41.23%**	**7,441,224.86**
GCC Individuals	0.67%	0.54%	926,868.05
GCC Institutions	0.37%	1.46%	(8,089,214.31)
GCC	**1.04%**	**2.00%**	**(7,162,346.26)**
Non-Qatari Individuals	5.94%	9.08%	(23,409,993.35)
Non-Qatari Institutions	50.80%	47.69%	23,131,114.75
Non-Qatari	**56.74%**	**56.77%**	**(278,878.60)**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2019	% Change YoY	Operating Profit (mn) 4Q2019	% Change YoY	Net Profit (mn) 4Q2019	% Change YoY
Electrical Industries Co.*	Saudi Arabia	SR	577.6	-18.2%	(19.4)	N/A	(40.2)	N/A
Jazan Energy And Development Co.*	Saudi Arabia	SR	71.9	4.9%	(6.0)	N/A	(8.7)	N/A
Al Abdullatif Industrial Inv. Co.*	Saudi Arabia	SR	600.5	-3.3%	3.6	-85.1%	(11.7)	N/A
Al Jouf Agricultural Dev. Co.*	Saudi Arabia	SR	224.4	-37.5%	359.0	-99.3%	(20.8)	N/A
Red Sea International Co.*	Saudi Arabia	SR	641.1	-2.7%	(48.0)	N/A	(71.9)	N/A
Saudi Enaya Cooperative Insurance*	Saudi Arabia	SR	–	–	–	–	7.5	89.5%
Aljazira Takaful Taawuni Co.*	Saudi Arabia	SR	–	–	–	–	10.7	11.2%
International Holdings Co.*	Abu Dhabi	AED	1,259.1	120.8%	–	–	505.6	2,640.0%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2019)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03/19	US	Bureau of Economic Analysis	Current Account Balance	4Q2019	-$109.8bn	-$108.6bn	-$125.4bn
03/19	US	Department of Labor	Initial Jobless Claims	14-Mar	281k	220k	211k
03/19	US	Department of Labor	Continuing Claims	7-Mar	1,701k	1,738k	1,699k
03/19	US	Bloomberg	Bloomberg Economic Expectations	Mar	46.5	–	57.5
03/19	US	Bloomberg	Bloomberg Consumer Comfort	15-Mar	63.0	–	62.7
03/20	US	National Assoc. of Realtors	Existing Home Sales	Feb	5.77mn	5.51mn	5.42mn
03/20	US	National Assoc. of Realtors	Existing Home Sales MoM	Feb	6.5%	0.9%	-2.0%
03/19	UK	Bank of England	Bank of England Bank Rate	19-Mar	0.10%	–	0.25%
03/19	Germany	IFO Institute - Institut fuer	IFO Business Climate	Mar	87.7	–	96.0
03/19	Germany	IFO Institute - Institut fuer	IFO Expectations	Mar	82.0	–	93.2
03/19	Germany	IFO Institute - Institut fuer	IFO Current Assessment	Mar	93.8	–	99.0
03/20	Germany	German Federal Statistical Office	PPI MoM	Feb	-0.4%	-0.2%	0.8%
03/20	Germany	German Federal Statistical Office	PPI YoY	Feb	-0.1%	0.2%	0.2%
03/19	Japan	Ministry of Economy Trade and	All Industry Activity Index MoM	Jan	0.8%	0.3%	-0.1%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2019 results	No. of days remaining	Status
QGMD	Qatari German Company for Medical Devices	22-Mar-20	0	Due
IGRD	Investment Holding Group	24-Mar-20	2	Due
ERES	Ezdan Holding Group	30-Mar-20	8	Due

Source: QSE

Qatar

- **MRDS gets approval of the Qatar Financial Markets Authority to purchase the company's shares –** According to the request for approval of the Mazaya Real Estate Development Company's (MRDS) board decision regarding the purchase of its shares, the company has received the approval from Qatar Financial Markets Authority to purchase the shares, with a maximum of 37.5mn of company's shares, according to the regulatory controls and procedures related to allowing companies to buy their shares. (QSE)
- **IHGS' EGM endorses all items on its agenda –** Islamic Holding Group (IHGS) announced the resolutions of its EGM on March 18, 2020 and discussed the items listed on its agenda and issued the following resolutions: (1) Approved to amend the name of the company from the Islamic Holding Group to Inma Holding (article no.2) and to incorporate the amendment into the company's Articles of Association. (2) Approved to authorize the Chairman of the Board of Directors to effect any amendments to the Article of Association in accordance with the EGM resolutions and to sign the amended Article of Association for the official bodies. (QSE)
- **Milaha to hold its AGM today –** Qatar Navigation (Milaha) will hold its Ordinary General Assembly Meeting (AGM) today (March 22, 2020). If there is no quorum, the alternate date will be March 29, 2020. The agenda of the AGM includes review of the Boards recommendation for distributing cash dividends to the shareholders at 30% of the nominal share value, and approval of the same, among others. (Peninsula Qatar)
- **IGRD postpones the meeting to discuss the financial statements for period ending December 31** – Investment Holding Group (IGRD) has postponed the board of directors' meeting to March 28, 2020, in lieu of March 24, 2020, to review and discuss the audited consolidated financial statements of the financial year ended December 31, 2019 and other items of the agenda. The earnings conference call to discuss the group's financial results will be held on March 31, 2020. (QSE)
- **Qatar banks' public sector loans rise to QR338bn, deposits at QR279.9bn –** The total assets (and liabilities) of Qatar's commercial banks reached QR1,566.2bn in February 2020, an increase of about QR5.4bn from the previous month. The assets consist of credit facilities, debt securities, bonds, Sukuk, bank balances and investments in branches. On the other hand, liabilities consist of customer deposits, deposits with other banks, capital accounts, bonds and debentures, and other liabilities. Al Byraq Center for Economic and Financial Studies noted in its detailed reading of Qatar Central Bank's monthly bulletin on banks that Public sector deposits increased by QR1.5bn to QR279.9bn. The total public sector loans from local banks increased by QR6.6bn to QR338bn. Total domestic private sector deposits with banks increased by QR3.5bn to QR383bn by the end of February from the previous month. The total local loans and credit facilities provided by banks to the local private sector has increased by QR14.2bn to reach the level of QR662.3bn. The credit facilities to the real estate sector increased by QR1.1bn to QR147.5bn. Consumer loans to individuals were up by QR1.2bn to QR138bn. The loans to services sector jumped by QR2.8bn to QR173.6bn and the credit facilities to the trade sector rose by QR2.1bn to QR137.9bn. However, the loans to industrial sector remained unchanged from January. On the asset side, commercial banks' investments in securities outside Qatar stood at QR19.7bn. Its assets with banks outside Qatar decreased by about QR18bn to QR75.3bn. Local bank loans to external destinations decreased by about QR0.5bn to the level of QR74.3bn, while local bank investments in foreign companies increased by QR0.1bn to QR58.8, and their other assets abroad decreased by about QR0.2bn to QR3.8bn. On the liabilities side, deposits of foreign banks with banks inside Qatar decreased by QR12.7bn to QR250.4bn, and local banks' debt abroad increased in the form of bonds and certificates of deposit by about QR8.5bn to the level of QR70.1bn. The balance of holders of foreign deposits with Qatari banks increased by QR1.6bn to QR216.6bn, and then the total liabilities of the outside world decreased by about QR2.6bn to QR537.6bn. (Peninsula Qatar)
- **Qatar automobile sector posts 6% growth in January –** Qatar's automobile sector registered about 6% YoY growth in January 2020, mainly paced by private vehicles' new registration, according to the Planning and Statistics Authority (PSA).However, auto loans from the commercial banks in the country were on a rough ride with the credit to both the nationals and the expatriates registering declines in the review period, according to Qatar Central Bank (QCB) data. The new vehicles registration stood at 5,925 in January this year, which however saw a 1.5% decline MoM. The new registration of private vehicles reported about 11% rise to 4,354 units, which accounted for 73% of the new vehicles. On a monthly basis, it showed more than 5% increase in the review period. According to QCB data, auto loans for Qataris and expatriates fell 18% and 27% respectively during the month in review. The new registration of private transport vehicles stood at 1,129; constituting 19% of the total in the review period. Such registrations witnessed about 2% growth on yearly basis, even as it fell 7% MoM respectively in January 2020.The new registrations of private motorcycles were 190, or 3%, of the new vehicles in January this year. The new registration fell 42% on yearly and monthly basis respectively. The new registration of heavy equipment saw an 8% yearly fall to 107 units, constituting 2% of the total in January 2020. On a monthly basis, the new registration plummeted 53%.The new registration of trailers shrank about 22% to 54; even as it saw a 23% increase MoM this January. It constituted a little over 1% of total new vehicles. The new registration of other vehicles stood at 91, which registered 57% and 91% increase YoY and MoM respectively in the review period. The PSA data also revealed that in the case of renewal of vehicles, it stood at 73,449 in January this year, registering a 4% decline YoY but saw more than 9% jump MoM. (Gulf-Times.com)
- **MERS to introduce new product lines –** Al Meera Consumer Goods Company (MERS) is putting emphasis on expanding its

product range and introducing new product lines as a response to the continuously evolving demographic of Qatar. In its 2019 Annual Report, MERS' CEO, Yousef Ali Al-Obaidan said the company recently announced the introduction of a range of items from iconic British supermarket brand, Sainsbury's, at select MERS branches across the country. "One of our goals was to continuously improve the product mix for our valued customers. We have increased our own MERS-branded products and added other international brands to deliver new choices for customers who value premium quality products," Al-Obaidan said. He also said plans are also afoot to embrace the changing trends in customer shopping by adopting services, such as e-commerce and home delivery. "One of our key priorities for MERS' future development is preparing it for the next stage of growth. Internally, we are reorganizing our corporate structure by evaluating each of our departments and their functions. "This is being achieved with the help of local and international experts. We are also following on our plan to expand to economically viable locations, as well as in areas where the community deserves a neighborhood retail service," Al-Obaidan said. In other initiatives, Al-Obaidan said MERS is committed to recycling all paper and cardboard waste and introduced Reverse Vending Machines in select branches for recycling plastic and metal cans throughout its branches. The company also placed battery collection bins across MERS branches to collect and recycle used household batteries to prevent such hazardous metals and chemicals from harming the environment. (Gulf-Times.com)

- **Ezdan report: Real Estate Price Index remains flat despite market turmoil –** Over the past week real estate price index has witnessed stability in rates of sales and clinched deals despite the absence of exceptional deals that can contribute to the rise of the index, amid fluctuations of market, according to a report by Ezdan Real Estate (Ezdan). Ezdan reported 75 sales deals citing Real Estate Registration Department's figures during the period from 8 to 12 March 2020, with a total value exceeding QR265.2mn, and the operations were distributed over 7 municipalities: Umm Salal, Al Khor, Al Thakhira, Doha, Al Rayyan, Al Shamal, Al Daayen and Al Wakra. The sales included vacant land, multi-use buildings, multi-use space, and residential buildings. Doha Municipality spearheaded other municipalities in terms of highest deal value by selling a land lot in AlKharayij at QR24.4mn spanning over an area of 5324 square meters at a price of QR426 per square foot. This period has not seen exceptional real estate sales that contribute to raising the total value of sales. However, Al Rayyan Municipality also recorded the second largest property sale deal, which amounted to QR16.5mn for a commercial building in the Al-Aziziya region spanning over 1,175 square meters at a price of QR1305 per square foot. (Peninsula Qatar)
- **MoPH asks private hospitals to be prepared to help public hospitals –** The Ministry of Public Health (MoPH) has asked all private hospitals to be standby and prepare to assist public hospitals, as part of efforts and precautions taken to limit the spread of COVID 19. In an external memo sent by the Healthcare Facilities Licensing and Accreditation Department of the MoPH, to private healthcare facilities, the Ministry has also asked the hospitals to reduce attendance by 2/3 and to be replaced by virtual attendance. It has said the remaining 1/3 can be conducted in attendance in person subject to strict measures of infection prevention and control and social distancing in accordance with the MoPH. In the memo the Ministry has also asked the hospitals to keep dental clinics open only for emergency and critical procedures. (Peninsula Qatar)
- **WHO praises Qatar's measures to contain COVID-19 –** World Health Organization (WHO) Director-General Dr Tedros Adhanom Ghebreyesus has lauded the efforts made by Qatar "to implement a comprehensive approach to control COVID-19". Ghebreyesus said he had a "good call" with HE the Minister of Public Health Dr Hanan Mohamed Al-Kuwari. He congratulated her for His Highness the Amir Sheikh Tamim bin Hamad al-Thani's leadership to contain the novel coronavirus and the efforts made to implement a comprehensive approach to suppress and control Covid-19. (Gulf-Times.com)
- **MoCI: Rent exemption for industrial areas –** The Ministry of Commerce and Industry (MoCI) announced rent exemption for small- and medium-sized industrial areas and the Mesaieed industrial area, for six months. These exemptions start from March 15, the ministry stated. (Gulf-Times.com)

International

- **IMF sees severe impact from pandemic on global economy, but crisis temporary –** The impact of the global coronavirus pandemic will be "quite severe," but a long expansionary period and high employment rates mean the global economy should weather the current shock, a top International Monetary Fund official said. Martin Muehleisen, who heads the IMF's strategy policy and review department, said in an IMF podcast that the main goal for governments should be to limit the spread of the virus in a way that provides confidence that the economic shock will be temporary. He said banks and governments had already taken unprecedented measures to provide liquidity to markets and keep them functioning, "maybe more than we needed," but such steps should be coordinated internationally to amplify their effect."The better organized and the more coordinated the health responses to this crisis, the more quickly it may be possible that confidence returns," he said.Leaders of the Group of Seven rich nations last week said they would do "whatever it takes" to respond to the outbreak, but provided no specifics, which left markets unsettled.Leaders of the world's 20 major economies (G20) will hold a virtual summit next week, but divisions within the group dim hopes for strong coordinated action, experts say. (Reuters)
- **World's biggest central banks expand access to dollar swap facility –** The central banks of the US, the Eurozone, Canada, Britain, Japan and Switzerland agreed on Friday to increase the frequency of their one-week US dollars credit facility, they said in a joint statement. "To improve the swap lines' effectiveness in providing U.S. dollar funding, these central banks have agreed to increase the frequency of 7-day maturity operations from weekly to daily," the European Central Bank said. "These daily operations will commence on Monday, 23 March 2020, and will continue at least through the end of April." (Reuters)
- **US Senate races to agree on massive coronavirus relief package –** Republicans and Democrats in the US Senate on Saturday scrambled to complete a deal on a $1tn-plus bill aimed at stemming the coronavirus pandemic's economic fallout for workers, industries and small businesses. However, after a

second day of marathon closed-door negotiations, there was no sign of an overarching deal between negotiators, despite Republicans' claims of bipartisan agreement on specific issues including unemployment insurance and small business assistance. "The past two days of intense bipartisan talks are very close to a resolution," said Senate Majority Leader Mitch McConnell, who intends to hold a vote to pass the sprawling package on Monday. He said he has asked committee chairmen to produce final language for the bill by late Saturday. White House economic adviser Larry Kudlow told reporters he expects the final legislative package to be worth $1.3tn to $1.4tn to combat the effects of a health crisis that many fear will lead to a spike in unemployment as businesses close and the economy falters. Combined with actions undertaken by the US Federal Reserve and the administration, the prospective bill would have a $2tn net impact on a US economy facing powerful headwind spawned by the outbreak, according to White House officials. (Reuters)

- **Fed announces more emergency moves to stem dollar, liquidity strains –** The US Federal Reserve continued to roll out emergency support on Friday as it enhanced efforts with other major central banks to ease a global dollar-funding crunch, backstopped a market essential for US state and local government finances and ramped up its purchases of mortgage-backed securities. In a coordinated move, the Fed said it would enhance the permanent U.S. dollar liquidity swap line arrangements it has with the Bank of Canada, Bank of England, Bank of Japan, European Central Bank and Swiss National Bank to further ease dollar funding stress abroad. The Fed said that it would increase the frequency of 7-day maturity operations from weekly to daily, starting on March 23, and continuing at least through the end of April. The central banks will also continue to hold weekly 84-day maturity operations. In a separate move, the Fed said on Friday it would extend its liquidity support into the municipal debt market, the main funding market for US states, local governments and official authorities such as transit systems. Loans will now be available "to eligible financial institutions secured by certain high-quality assets purchased from single state and other tax-exempt municipal money market mutual funds," through the Money Market Mutual Fund Liquidity Facility the Fed set up on Wednesday, the US central bank said in a statement. The Fed also announced on Friday its latest effort to reassure dealers and other financial institutions that it will provide as much liquidity as needed to keep markets functioning smoothly. The Federal Reserve Bank of New York, the central bank's market operations arm, said it will continue to offer $1tn a day in overnight repo operations for the rest of the month, with half of the support being offered in the morning and half in the afternoon. It had previously said it planned to offer that amount of support until the end of this week. (Reuters)
- **UN Chief says global recession due to coronavirus 'a near certainty' –** United Nations (UM) Secretary-General Antonio Guterres warned that a global recession "is a near certainty" and current national responses to the coronavirus pandemic "will not address the global scale and complexity of the crisis. This is a moment that demands coordinated, decisive, and innovative policy action from the world's leading economies," Guterres told reporters via a video conference. "We are in an unprecedented situation and the normal rules no longer apply. A global recession – perhaps of record dimensions – is a near certainty," he said. The world's wealthiest nations poured unprecedented aid into the traumatized global economy on Thursday as coronavirus cases ballooned in Europe, the current epicenter, even as they waned at the pandemic's point of origin, China.So far there have been almost 219,000 infections and more than 8,900 deaths. "Our world faces a common enemy. We are at war with a virus," Guterres said. "I call on world leaders to come together and offer an urgent and coordinated response to this global crisis." (Reuters)
- **Act together against virus, ECB policymakers tell governments –** Eurozone governments should "get their acts together" and respond to the coronavirus pandemic and its economic fallout in a bold and coordinated way now that the European Central Bank(ECB) has secured cheap financing for it, two ECB rate-setters said. The central bank governors of Finland and Spain revived ideas such as raising cash through a common "safe asset" or via existing institutions of the European Union to finance the response to the outbreak. "At this critical juncture, it is essential that Euroarea governments get their acts together and agree to a coordinated European fiscal response," Finland's central bank chief Olli Rehn told a press conference. "There's a saying: never waste a crisis. Therefore it's important that euro area governments agree at this critical moment on some kind of a safe asset that could provide sturdy support for financing," he added. With economic activity curtailed across Europe, infection numbers still on the rise and markets gripped by fear, the ECB set on course to buy 1.1tn Euro ($1.18tn) worth of bonds this year in order to keep yields low. Yet this will not save Europe from a recession. In an interview with Reuters, Pablo Hernandez de Cos said the contraction would be "significant" not only in Spain, one of the European countries most severely hit by the virus, but also globally. (Reuters)
- **Crisis-era regulators call on banks to halt distributions, de-leverage trading –** Banks should immediately halt share buybacks, dividends and most staff bonuses to bolster capital and increase the capacity to lend to the real economy, a group of former senior regulators said in a statement to G20 finance ministers and central bankers. The Systemic Risk Council (SRC), a non-partisan body which comprises a number of officials who navigated the financial system through the 2008 crisis, said regulators should also require banks to gradually de-leverage their trading books and unwind deals, such as swaps and securities-lending portfolios, that do not support the real economy. The statement to finance leaders in the Group of 20 industrialized economies was issued amid a scramble for dollar liquidity globally as businesses suffer revenue hits from disruption caused by the spreading coronavirus outbreak. (Reuters)
- **Airline industry crisis deepens as coronavirus pain spreads –** The crisis for airlines deepened as Lufthansa warned the industry might not survive without state aid if the coronavirus pandemic lasts a long time, and Qantas Airways told most of its 30,000 staff to take leave. The United Nation's International Civil Aviation Organization called on governments to ensure cargo operations are not disrupted to maintain the availability of critical medicine and equipment such as ventilators and masks that will help fight the virus. "The spread of the coronavirus has

placed the entire global economy and our company as well in an unprecedented state of emergency," Lufthansa CEO Carsten Spohr said in a statement. "At present, no one can foresee the consequences. "His comments echo other industry executives who have called for state support now that passenger operations are collapsing at an unprecedented rate as governments curb travel drastically and demand slumps. Germany's Lufthansa, which has parked 700 of its 763 aircraft, said it did not need state support yet as it slashes costs, but painted a bleak picture for the industry and its suppliers. Spohr said his company was in talks with planemakers Airbus and Boeing about whether to take delivery of aircraft it had ordered, and on payments.(Reuters)

- **Global hotel room revenue slumps 5.5% in February as coronavirus spreads –** Hotel room revenue slumped 5.5% globally in February from a year earlier as the coronavirus outbreak brought the airline industry to a halt and travel bans hurt vacation plans, data from analytics firm STR showed. STR, which runs a benchmarking platform for over 68,000 registered chains, groups and individual properties, said occupancy fell 7.8% across the hotel industry. Revenue per available room (RevPAR) - a key metric for the industry - in Hong Kong fell 85.9% in February from a year earlier and 82.2% in mainland China, STR data showed earlier this week. The highly contagious novel coronavirus that has exploded into a global pandemic has forced major hotel operators including Hyatt Hotels (H.N), Marriott and IHG to offer waivers on cancellations and changes in bookings for travelers in several countries and also shut hotels. American hotel and travel industry executives met with US President Donald Trump to discuss a potential $250bn aid package, as thousands of hotel workers began furloughs due to the fast-spreading coronavirus. IHG said demand for hotel rooms is at record lows. (Reuters)
- **Bank of England ramps up bond-buying, cuts rates to near zero –** The Bank of England (BoE) promised 200bn Pounds of bond purchases and cut its key interest rate to 0.1% in a second emergency move in just over a week to try to mitigate the hit to Britain's economy from the coronavirus outbreak. As central banks scramble to fight off the threat of a global recession, all nine BoE interest-rate setters voted unanimously for the cut to the benchmark Bank Rate, which they had slashed to 0.25% from 0.75% as recently as March 11.They also voted unanimously on Thursday to restart buying government bonds and corporate debt for the first time since 2016, a day after the European Central Bank ramped up its debt-buying too. The 200bn Pound increase, at 9% of British GDP, was even bigger than the ECB's which was equivalent to 6% of the Eurozone's economic output, and took the BoE's total asset purchase plan to 645bn Pounds. BoE Governor Andrew Bailey said the buying would be front-loaded as the central bank raced to counter chaos in financial markets that he said had been "bordering on disorderly" in recent days. (Reuters)
- **UK state to pay workers' wages to stem coronavirus layoffs –** Britain's government will pay a massive share of private sector wage bills to discourage bosses from firing staff as it resorts to war-time levels of borrowing to prop up the economy during its coronavirus shutdown. "Today I can announce that for the first time in our history the government is going to step in and help to pay people's wages," finance minister Rishi Sunak said. There was no limit on the size of the plan which the government will fund by selling more debt, as it will for other measures worth tens of billions of pounds rushed out over the past 10 days. Sunak also allowed businesses to hold on to 30bn Pounds of value-added tax (VAT), which they would normally pass on to tax authorities. (Reuters)
- **Germany will block foreign takeovers to avoid economy sell-out –** Germany will protect domestic firms from foreign takeovers, two leading politicians said, after company valuations in Europe's largest economy have been hammered by the coronavirus pandemic. Ministers have already promised liquidity support to businesses and introduced measures making it easier to reduce working hours rather than lay off workers. The cabinet is due to decide on further support measures on Monday, when a government source said it would back a supplementary budget worth around 150bn Euros. Germany's blue-chip DAX index .GDAXI, which comprises the country's 30 largest listed corporations, has plunged more than a third over the past month as the coronavirus outbreak has brought several economies to a near standstill. This has increased the risk of foreign companies snapping up rivals at a discount. "We will avoid a sell-out of German economic and industrial concerns. There cannot be any taboos. Temporary and limited state support as well as participations and takeovers need to be possible," Economy Minister Peter Altmaier said. (Reuters)
- **German manufacturing expectations record fastest-ever plunge –** The coronavirus outbreak caused the steepest drop in German manufacturers' expectations in the 70-year history of surveys, data showed, as the three main economic institutes predicted anything from mild recession to a generational crash. The grim outlook and the rapid spread of the virus are pushing Chancellor Angela Merkel's government to use an exception to the debt brake enshrined in its constitution, an official with knowledge of the plan told Reuters. "The German economy is speeding into recession," said Clemens Fuest, president of the Ifo institute, which published preliminary results of its monthly survey for March. A fall in Ifo's overall business climate index to 87.7 from 96.0 in February, the biggest drop since 1991, brought the index to its lowest level since the 2009 recession, Fuest said. Of the plunge in manufacturing business morale, he said: "Never in the history of a reunified Germany has it fallen so far. The drop in expectations is the single most precipitous in 70 years of industry surveys." (Reuters)
- **Germany prepares 150bn Euro emergency budget in coronavirus package –** Germany is readying an emergency budget worth more than 150bn Euros to shore up jobs and businesses at risk from the economic impact of the coronavirus outbreak, the finance minister said. Government sources told Reuters hundreds of billions in additional backing for the private sector would be raised, as Finance Minister Olaf Scholz said a ceiling on new government debt enshrined in the country's constitution would be suspended due to the exceptional circumstances. "A hundred and fifty billion is a large amount, but it gives us the flexibility that we now need," Scholz said. According to senior officials and a draft law seen by Reuters, the package will include a supplementary government budget of 156bn Euros, 100bn Euros for an economic stability fund that can take direct equity stakes in companies, and 100bn Euros in credit to public-sector

development bank KfW for loans to struggling businesses. On top of that, the stability fund will offer 400 billion euros in loan guarantees to secure corporate debt at risk of defaulting, taking the volume of the overall package to more than 750bnEuros.Under Germany's so-called debt brake rule, Berlin is allowed to take on new debt of no more than 0.35% of economic output, unless the country is hit by a natural disaster or other emergencies. (Reuters)

- **China to stimulate private investment, accelerate 'new infrastructure' development –** China will cut fees on a large scale to stimulate private-sector investment and also accelerate the development of "new infrastructure" to help spur the economy, Chinese government officials said. China will further develop 5G, construct more data centers and build smart cities as part of the new infrastructure push, Zheng Jian, an official at the National Development and Reform Commission (NDRC), said at a briefing. Another NDRC official, Hong Ou, said 89.1% of major infrastructure and natural resources projects had resumed operation as of March 20, excluding Hubei province, the epicenter of the country's coronavirus outbreak. A total of 1.848tn Yuan of local government bonds have been front-loaded so far in 2020, including 1.29tn yuan of special bonds, used by local governments to finance infrastructure development, Song Qiuling, an official at the finance ministry, said at the briefing. (Reuters)
- **IMF: Chinese economy normalizing but stark risks remain –** China's economy is beginning to show some signs of normalization after the full-blown shock caused by coronavirus but stark risks remain, International Monetary Fund (IMF) officials said in a blog on the economic impact of the pandemic. Most large Chinese firms have reopened and many local staff have returned to work but infections could rise again as national and international travel resumes, the officials said. Outbreaks in other countries and financial market gyrations could also make consumers and firms wary of Chinese goods, just as the economy is getting back to work, they said. The coronavirus, which has infected 250,000 people and killed more than 10,000, has wreaked havoc on the global economy. In China, the slowdown in the first quarter will be significant, leaving a deep mark on the full year, the IMF said. (Reuters)

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- **IMF: Significant recalibration in GCC fiscal policies –** In what is seen as a significant recalibration of fiscal policies, most GCC countries have begun to improve their public financial management while also making efforts to strengthen fiscal positions, IMF has stated in a report. The latter involved deploying a variety of quick fixes—such as short-term freezes and cuts in various discretionary items as well as more substantive reforms, such as phasing out of inefficient energy and water subsidies and the introduction of new taxes and fees, IMF noted. In its recent report on 'The future of oil and fiscal sustainability in the GCC region', IMF stated that the introduction of excise and value-added taxes in three GCC countries was a "significant" change that the three other GCC countries are expected to follow. As a result of these efforts, the average non-oil primary fiscal balance (NOPB) in the GCC has improved from a deficit of more than 60% of non-oil GDP (in 2014) to 44% in 2018 — a "remarkable" effort in any international comparison, IMF noted. The 2014 oil price decline resulted in large fiscal deficits and sparked significant reforms in the region. The decade from 1997 was one of "rising saving" and the next six years had seen "accelerated spending" in the GCC, IMF stated. Recognizing the need to accelerate efforts to reduce their dependence on oil, all countries have adopted new (or modified existing) strategic visions for their economies envisaging faster diversification and private sector development. To this end, governments have begun to roll out wide-ranging structural and fiscal reforms. However, overcoming the legacy of nearly a decade of strongly rising spending will require more time and effort. Although the fiscal consolidations to date have managed to stop the rising trend in current spending, they have yet to fully offset the decline in oil revenue. (Gulf-Times.com)
- **IATA: Middle East and African airlines in crisis as coronavirus stifles demand –** Middle East and African airlines are in crisis with hundreds of thousands of jobs at risk from the coronavirus outbreak, the International Air Transport Association (IATA) stated, calling for state intervention. The industry is facing a liquidity crisis and about a million jobs in the regions are at risk, according to the International Air Transport Association (IATA), which urged governments to provide state aid. The epidemic has cost Middle Eastern airlines $7.2bn in revenue as of March 11 with 16,000 flights canceled since January, IATA said. African airlines lost $4.4bn after thousands of flight cancellations. The coronavirus pandemic has killed nearly 9,000 people and infected almost 220,000 globally. Many airlines worldwide say they may not survive the crisis, which deepened on Thursday as German flag carrier Lufthansa warned the industry might not stay afloat without state aid if the pandemic lasts a long time. IATA Africa Middle East Vice President, Muhammad Ali Albakri warned that even the most drastic cost cuts were being outstripped by plummeting revenue. "The implications are not like we have seen before. We are struggling, suffering, and bleeding," he told reporters on a conference call. IATA stated the financial crunch was worse than after the September 11, 2001 al Qaeda attacks on the US, the SARS epidemic in 2003 or the 2008 global financial crisis. About 1mn aviation-related jobs are directly at risk across the Middle East and African countries, including the UAE, Saudi Arabia, Morocco, South Africa, Nigeria and Kenya. Most Middle East airlines are state-owned, and few were profitable even before the current crisis. Most African carriers - apart from Ethiopian Airlines - also struggled to make a profit. "African carriers who are already struggling will require immediate help," Albakri told reporters. He said that on average, Middle Eastern airlines have two months of cash reserves. (Reuters)
- **Goldman: OPEC supply curbs, US measures could support oil prices near term –** Supply restraint by core-OPEC producers could push second-quarter Brent oil prices up to $30 a barrel, while US measures to support the market could underpin prices in the near term, Goldman Sachs stated in a research note. Citing Wall Street Journal reports that the US was considering intervening in the ongoing Saudi-Russian price war and Texas regulators may curb oil output, the US investment bank stated such action would reduce global and US domestic supplies. US crude oil prices rose more than $1 on Friday, extending steep gains from the previous session, after US President, Donald Trump said he

would get involved in the price war at an appropriate time. While any US measures could support the oil market into the second half of the year, however, Goldman Sachs stated accompanying supply cuts would still not be enough to offset the 8mn bpd demand loss - brought about by countries slowing economic activity to halt the spread of the coronavirus which has caused nearly 10,000 deaths worldwide. “Medium-term, the impact of such policies will depend on their political viability given the upcoming presidential election,” Goldman Sachs said in the note issued on Thursday.(Reuters)

- **Russia's Rosneft CEO says we need to maintain contact with Saudi Arabia –** Russia and Saudi Arabia need to maintain contact, Chief Executive with Russia’s top oil producer Rosneft, Igor Sechin was quoted as saying by RIA news agency. “I have no doubts that contact should continue. These two (Russia and Saudi Arabia) are the largest oil producers, and of course, we need to cooperate, to exchange information,” Sechin said, according to RIA. He added that Rosneft was prepared for a dramatic fall in oil prices which followed a collapse of an existing oil output cut deal between OPEC and non-OPEC nations, saying that global oil prices could return to $60 per barrel by end-2020 if shale oil is forced out of the market. Sechin, who had previously publicly opposed the three-year-long deal to coordinate global oil production, said that OPEC+ - as the current cooperation is known - has lost its power since other factors currently are affecting the price of oil. He said there are a number of oil producing countries in the world which never were part of the deal and do not want to join it now either. “Is there a point to cut further if other producers will increase?”, he said. (Reuters)
- **Saudi Arabia’s 2020 budget deficit could reach 9%/GDP amid coronavirus, oil price drop –** Saudi Arabia’s budget deficit this year could expand to up to 9% of GDP, from around 6.4% previously forecast, due to plummeting oil prices and the impact from the coronavirus outbreak, the Kingdom’s Finance Minister,Mohammed Al-Jadaansaid. He said in a news conference broadcast on state television that the government has a contingency plan and flexibility through a mixture of spending cuts, borrowing and tapping reserves. (Reuters)
- **Saudi Arabia announces SR120bn support to mitigate coronavirus impact on economy –** Saudi Arabia announced on Friday measures exceeding SR120bn to mitigate the impact of the coronavirus outbreak on the economy, state TV said. The package includes SR50bn to support banks, financial institutions and small and medium enterprises, it said, citing Finance Minister, Muhammad Al-Jadaan. The package also includes other initiatives to support the economy exceeding SR70bn. (Reuters)
- **Saudi Aramco to cut refinery runs in April, May to boost oil exports –** Saudi Aramco will continue reducing operations at its local refineries in April and May to boost the state energy company’s potential to export crude oil, a company official said. Saudi Arabia, the world’s top oil exporter, stated it had directed Saudi Aramco to keep supplying crude at a record rate of 12.3mn bpd in the coming months. Exports were set to top 10mn bpd from May, it added. Saudi Aramco stated it would likely sustain higher oil output planned for April in May, and that it was very comfortable with crude at $30 a barrel, signaling it is prepared to live with low prices for a while. It also plans to raise its oil production capacity to 13mn bpd. Worldwide, refineries are slowing output and contemplating extensive maintenance because of travel restrictions put in place in response to the coronavirus pandemic. (Reuters)
- **Saudi Aramco cuts freight compensation for European buyers as rates jump –** Saudi Aramco told its customers in Europe it will cut compensation payments for freight costs because of extraordinary conditions in the freight market, a memo sent to customers on Wednesday and seen by Reuters showed. “In a reference to a Saudi Aramco Freight Protection Policy, kindly note that due to current extraordinary freight market conditions, the freight protection calculation will be limited to 10% of the Saudi Aramco official selling price (regional price marker + monthly differentials),” the note said. The freight protection policy applies to refiners in Europe and compensates for the transport costs between Ras Tanura in Saudi Arabia and Sidi Kerir in Egypt, traders said. Saudi Arabia’s plans to increase oil exports have driven freight rates to record levels. The development may prompt people to review their purchases from Saudi Aramco and call into question the Kingdom’s plan to increase exports, two traders in the European market said, asking not to be named. (Reuters)
- **US to send envoy to Saudi Arabia; Texas suggests oil output cuts –** The Trump administration plans to send a special energy envoy to Saudi Arabia to work with the Kingdom on stabilizing the global oil market, officials said, as the US scrambles to deal with a price crash so deep that regulators in Texas considered curbing production there for the first time in nearly 50 years. The oil price crash has shocked the oil industry as a pact among OPEC and non-OPEC producers to cooperate imploded, triggering a production free-for-all. The US is sending a special representative to negotiate with Saudi Arabia, officials said, after the Kingdom unleashed production following years of touting its role as a stabilizing force for markets. Saudi Arabia and Russia are locked in a war for global oil market share after their three-year deal to restrain output collapsed this month. The Kingdom has vowed to increase production to a record 12.3mn bpd and has chartered numerous tankers to ship oil around the world, pushing prices to near 20-year lows this week. US officials believe Saudi Arabia’s move to flood oil markets compounds the global economic crash during a crisis caused by the pandemic. (Reuters)
- **Dubai signs up banks for $9bn DP World debt deal –** Dubai has received commitments from a group of 10 banks for $9bn in loans to take full control of port operator DP World and refinance debt of state investment vehicle Dubai World, two sources told Reuters. The debt transaction is one of the few deals keeping investment bankers busy in the Gulf as the global coronavirus outbreak slams the brakes on capital markets activity. Dubai last month said that state company Port and Free Zone World (PFZW), part of Dubai World, planned to buy publicly listed shares of DP World in a deal with a $13.9bn valuation. Citi and Deutsche Bank underwrote $9bn in loans for the transaction and immediately started talks with other banks to distribute the debt, sources told Reuters at the time. This week a group of 10 banks, including Citi and Deutsche, signed commitments that covered and oversubscribed the $9bn debt deal, sources close to the deal said. The other eight banks are Bank of Nova Scotia,

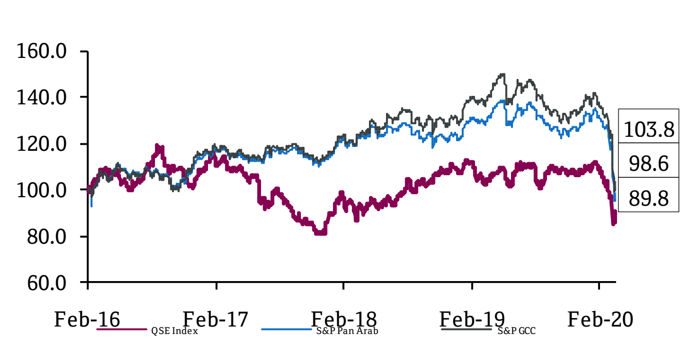
Credit Agricole, Emirates NBD, First Abu Dhabi Bank, HSBC, JPMorgan, Samba Financial Group and Standard Chartered, sources said. The transaction involves a $3bn five-year loan, with the rest of the financing comprising shorter-term debt, the sources added. The planned delisting of DP World will add to its leveraging, which last month pushed ratings agencies Moody's and Fitch to place the company under review for a potential downgrade. As part of the deal, DP World will borrow $5.15bn to fund a dividend to Dubai World, which is the sole shareholder of PFZW, helping it meet outstanding obligations to lenders. Dubai World, a conglomerate with interests in ports, real estate and hospitality, signed a $25bn debt restructuring agreement in 2011 after Dubai was hit by the global financial crisis. The jumbo $9bn loan deal was marketed to banks amid increasing concerns over the economic impact of coronavirus on Dubai, a Middle East trade, transportation and tourism hub. Two banks that were asked to commit to the transaction did not participate, one of the sources said without naming the banks. The loans will be sold over the coming weeks to a wider group of banks, both sources said. (Reuters)

- **SCAD: Abu Dhabi's Industrial Production Index up in 4Q2019 –** The Industrial Production Index (IPI) in the Emirate of Abu Dhabi increased by 22.6% from 100.1% in the fourth quarter of 2018 to 122.7% in the fourth quarter of 2019, according to figures released by Statistics Centre - Abu Dhabi, SCAD. The IPI decreased by 19.8% in the fourth quarter of 2019 from 153.1% in the third quarter of 2019, noted the report for 4Q2019. The key activity that recorded an increase in the IPI during the fourth quarter of 2019 compared with the fourth quarter of 2018, was 'Manufacture of fabricated metal products, except machinery and equipment' for which the production quantity increased by 224.8% while contributing 86.7% to the overall increase in the IPI. During the fourth quarter of 2019 compared with the fourth quarter of 2018, the group for which the production quantity increased by 87.5%, contributed 21.2% to the overall increase. (Zawya)
- **Construction Cost Index in Abu Dhabi rose 0.5% in 4Q2019 –** The Construction Cost Index (CCI) increased by 0.5% in the fourth quarter of 2019 compared with the fourth quarter of 2018, revealed Statistics Centre - Abu Dhabi, SCAD, in a report for 4Q2019. The index increased from 97.9% in the fourth quarter of 2018 to 98.4% in the fourth quarter of 2019, the report noted. The CCI, it indicated, increased by 0.5% in the fourth quarter 2019 compared with the third quarter of 2019. The index increased from 97.9% in the third quarter 2019 to 98.4% in the fourth quarter of 2019. The 'Services' group contributed by 167.1% in the overall increase in the prices in the fourth quarter of 2019 compared with the fourth quarter of 2018, while its prices increased by 18.2% and the weight for this group is 4.5%. (Zawya)
- **Abu Dhabi's Etihad Airways will survive coronavirus crisis, says CEO –** Abu Dhabi's Etihad Airways will survive the coronavirus epidemic, it's Chief Executive,Tony Douglas said, a day after the industry's largest body warned that Middle East airlines were in crisis. "We want to reassure that afterwards when we all want to get back to our normal lives, we want to travel, Etihad will still be there to make sure it's the best possible way that you can enjoy that experience," he said. Etihad has cancelled dozens of flights and asked some staff to bring forward paid leave as it tackles the crisis that has shattered global travel demand. "These are unprecedented times," he said in the video, in which he also described the situation as difficult. The state-owned carrier this month reported an $870mn loss for 2019, its fourth consecutive annual loss. The airline once sought to compete head to head with major Gulf hub carriers Emirates and Qatar Airways, piling billions of dollars into a failed strategy of buying minority stakes in other airlines. Etihad, which has lost $5.6bn since 2016, is now focused on point-to-point traffic. (Reuters)
- **Kamco exits KD2.98mn investments in Kuwait –** Kamco Invest has sold 9.61% of its stake in several special-purpose companies (SPCs) at a value of KD2.98mn. The partial exit is from investments in companies based out of Kuwait, according to a stock exchange filing. The transaction will reflect on the group's financial position, as it will lower both assets and liabilities by KD2.98mn. The said impact will reflect on the interim financial statements as of March 31, 2020. No material effect has been registered on the income statement, Kamco added. (Zawya)
- **Kuwait's Aqar agrees one-year Murabaha facilities with BoubyanBank –** Aqar Real Estate Investments Company has obtained Murabaha credit facilities from Boubyan Bank for one year that could be extended.The loan will be rescheduled during three to six months. Thereal estate firm announced received loans of KD2.2mn from an unnamed local bank at an interest rate of 1.5% above the discount rate announced by the Central Bank of Kuwait (CBK).In 2019, the profits of Aqar Real Estate jumped by 108.8% to KD2.54mn when compared to KD1.21mn in 2018. (Zawya)
- **Oman to review budget every three months amid coronavirus fears, low oil prices –** Oman will review its budget every three months amid coronavirus concerns, after having cut by 5% the budget allocated to government agencies for 2020, state TV reported. The finance ministry cut the budget of civil, military and security agencies for this year by 5%, according to a circular dated March 12 and seen by Reuters earlier this week. "The financial affairs and energy resources council will follow up on the commitment of government bodies to implement these measures, and on the evaluation of the actual performance of the state's general budget every 3 months", state TV reported, The council had its second meeting of the year on Thursday, and discussed "coronavirus and the drop in oil prices, and their significant negative impacts on the financial situation of the state", state TV reported. The oil-producing Gulf state's finances are being strained by the economic impact of the coronavirus outbreak and by a plunge in oil prices due to a price war between Saudi Arabia and Russia. Oman has reported 39 cases of coronavirus. The Omani government stated it had taken measures to help small businesses in the Sultanate, including tourism and municipality tax breaks, free government storage facilities and postponement of credit instalment payments. Meanwhile, Central Bank of Oman (CBO) is preparing to provide some OMR8bn in extra liquidity to banks as part of measures aimed at supporting the economy. The regulator stated this week banks were allowed to lower capital conservation buffers, should accept requests for deferment of loan instalments and increase lending ratios for various economic sectors, including

healthcare services. It also implemented cuts on various interest rates to grant cheaper liquidity to the banking sector. (Reuters)

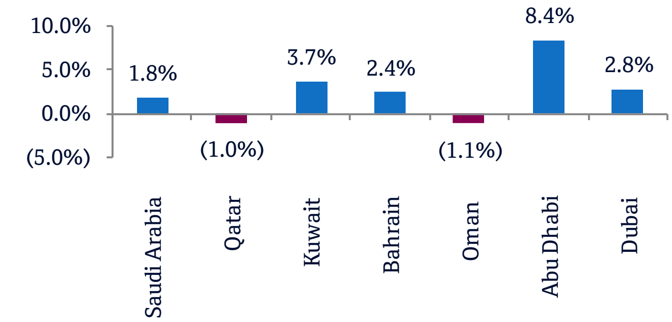
- **CBO takes measures to support banks and FLCs –** Central Bank of Oman's (CBO) policy measures will support banks and financing leasing companies (FLCS); (1) to lower capital conservation buffers (CCB) by 50% from 2.5% to 1.25%. (2) to increase lending ration/financing ratio by 5% from 87.5% to 92.5% and to utilize the additional scope provided for lending/financing to productive sector of the economy including healthcare services. (3) To accept requests for deferment of loan instalments/ interest/ profit for affected borrowers particularly SMEs with immediate effect for the coming 6 months without adversely impacting the risk classification of such loans. (4) Deferring the risk classification of loans pertaining to government projects for the period of 6 months. this, in reference to CBO circulars that were issued earlier to consider reducing existing fees related to various banking services and to abstain from introducing new ones during year 2020. (5) Reduction of the interest rate on repo operations by 75 basis points to 0.50%, and increase in the tenor of repo operations up to a maximum period of 3 months. (6) Reduction of the interest rate on discounting of government treasury bills by 100 basis points to 1.00%. (7) Reduction of the interest rate on foreign currency swap operations by 50 basis points and increase in the tenor of swap facility up to a maximum period of 6 months. (8) Reduction of the interest rate on rediscounting of a bill of exchange and promissory note (with 2 signatures), by 100 basis points to 3.00%.(9) Reduction of the interest rate on rediscounting of a promissory note with acceptable guarantee, by 100 basis points to 3.25%. (10) Reduction of the interest rate on rediscounting of a promissory note accompanied by trust receipt, by 125 basis points to 3.50%. (Reuters)
- **Bahrain in talks for $1bn loan after bond plans suspended –** Bahrain is in talks with banks for a loan of about $1bn after the Gulf state's plans to issue international bonds were suspended due to bad market conditions, sources told Reuters. The small Gulf oil producer, rated 'Junk' by all the three major credit rating agencies, is seeking funds amid a slump in global oil prices which is hurting its finances. Bahrain was bailed out by some of its wealthier Gulf allies in 2018 to stave off the risk of a credit crisis after a prolonged period of lower oil prices pushed its public debt to nearly 93% percent of annual economic output. The latest plunge in crude prices - due to a market share war between Saudi Arabia and Russia and the fallout from coronavirus - is now straining the finances of Gulf Arab states, with Bahrain and Oman particularly vulnerable. Bahrain hired a group of banks weeks ago for a potential US dollar-denominated bond issue;however, the deal was suspended due to worsening market conditions caused by the global spread of the virus, four sources said. The Gulf state has now started talks with a small group of relationship banks to raise about $1bn through a loan, three sources said. A loan would partly shield Bahrain from requests from investors for higher rates. While loan rates are linked to bond market rates, other considerations such as existing banking relationships and banks' ancillary businesses make loan prices less dependent on the performance of bonds. "A loan in this market is faster and easier to go," sources added. "Also, you avoid a roadshow, which is difficult these days with all the travel disruptions." Roadshows are meetings that issuers of financial instruments hold with international investors ahead of a planned deal. (Reuters)
- **Bahrain's AUB to pay 20% dividend and issue bonus shares –** Ahli United Bank (AUB) shareholders have approved the distribution of a cash dividend of 20%, or $0.05 per share, totaling $438.7mn, together with a bonus share issue of 10% (one share per 10 ordinary shares) in respect of fiscal 2019.The announcement follows the annual and extraordinary general meetings of the bank.The proceedings were attended by shareholders representing 78.25% of the bank's total issued shares.The shareholders also ratified the reduction of the number of directors from 11 to 10.The EGM saw shareholder approval for the amendment of AUB's memorandum and articles of association to increase its capital by 877,444,428 shares, to cover the issuance of the approved 10% bonus shares distribution for 2019.They also approved the extension, for a further two years, of their standing authorization for the board of directors to decide on the timing, pricing and other terms of issuance of up to $4bn in bonds, loans and other subordinated or capital equivalent financial instruments, as necessary to support the funding and capitalization plans of the bank. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,498.65	1.9	(2.0)	(1.2)
Silver/Ounce	12.62	4.1	(14.3)	(29.3)
Crude Oil (Brent)/Barrel (FM Future)	26.98	(5.2)	(20.3)	(59.1)
Crude Oil (WTI)/Barrel (FM Future)	22.43	(11.1)	(29.3)	(63.3)
Natural Gas (Henry Hub)/MMBtu	1.76	4.8	(10.7)	(15.8)
LPG Propane (Arab Gulf)/Ton	26.00	7.2	(18.8)	(37.0)
LPG Butane (Arab Gulf)/Ton	20.50	(13.7)	(46.6)	(69.1)
Euro	1.07	(0.0)	(3.8)	(4.7)
Yen	110.93	0.2	3.1	2.1
GBP	1.16	1.3	(5.3)	(12.3)
CHF	1.01	(0.0)	(3.5)	(1.9)
AUD	0.58	0.7	(6.7)	(17.6)
USD Index	102.82	0.1	4.1	6.7
RUB	79.98	1.0	10.1	29.0
BRL	0.20	0.7	(4.0)	(20.6)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	1,650.94	(2.6)	(12.3)	(30.0)
DJ Industrial	19,173.98	(4.5)	(17.3)	(32.8)
S&P 500	2,304.92	(4.3)	(15.0)	(28.7)
NASDAQ 100	6,879.52	(3.8)	(12.6)	(23.3)
STOXX 600	293.04	1.7	(5.7)	(33.1)
DAX	8,928.95	3.5	(6.9)	(35.9)
FTSE 100	5,190.78	1.4	(8.9)	(39.7)
CAC 40	4,048.80	4.8	(5.4)	(35.7)
Nikkei#	16,552.83	0.0	(7.4)	(31.0)
MSCI EM	803.23	4.8	(9.9)	(27.9)
SHANGHAI SE Composite	2,745.62	1.8	(6.1)	(11.7)
HANG SENG	22,805.07	5.2	(4.9)	(18.8)
BSE SENSEX	29,915.96	5.0	(14.0)	(31.6)
Bovespa	67,069.40	1.2	(22.3)	(53.4)
RTS	924.22	2.4	(6.8)	(40.3)

Source: Bloomberg(*$ adjusted returns, #Market was closed on March 20, 2020)

Contacts

Saugata Sarkar, CFA, CAIA
Head of Research
Tel: (+974) 4476 6534
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
Tel: (+974) 4476 6509
shahan.keushgerian@qnbfs.com.qa

Zaid al-Nafoosi, CMT, CFTe
Senior Research Analyst
Tel: (+974) 4476 6535
zaid.alnafoosi@qnbfs.com.qa

Mehmet Aksoy, PhD
Senior Research Analyst
Tel: (+974) 4476 6589
mehmet.aksoy@qnbfs.com.qa

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
PO Box 24025
Doha, Qatar

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