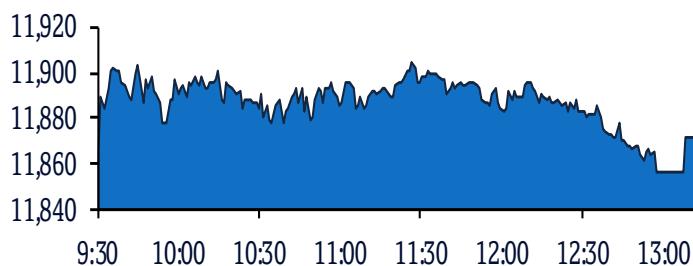


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.1% to close at 11,871.4. Gains were led by the Transportation and Insurance indices, gaining 2.1% and 1.2%, respectively. Top gainers were QLM Life & Medical Insurance and Qatar Gas Transport Company Ltd., rising 8.5% and 3.5%, respectively. Among the top losers, Gulf International Services fell 3.8%, while Qatari Investors Group was down 2.1%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.3% to close at 11,939.6. Gains were led by the Health Care Equipment & Svc and Media & Entertainment indices, rising 2.6% and 2.1%, respectively. Baazeem Trading Co. rose 5.8%, while Dr Sulaiman Al Habib Medical was up 5.2%.

Dubai: The Market was closed as on October 21, 2021.

Abu Dhabi: The Market was closed as on October 21, 2021.

Kuwait: The Market was closed as on October 21, 2021.

Oman: The MSM 30 Index gained 0.1% to close at 3,984.7. The Financial index gained 0.1%, while the other indices ended in red. Muscat Thread Mills Company rose 9.1%, while Oman Education & Training Investment was up 4.4%.

Bahrain: The BHB Index gained 0.1% to close at 1,724.1. The Materials index gained 0.7%, while Communications Services index rose 0.2%. Bahrain Cinema Co. rose 3.7%, while Khaleeji Commercial Bank was up 1.5%.

Market Indicators	21 Oct 21	20 Oct 21	%Chg.
Value Traded (QR mn)	688.0	806.7	688.0
Exch. Market Cap. (QR mn)	684,389.5	684,443.4	684,389.5
Volume (mn)	224.1	279.7	224.1
Number of Transactions	14,096	15,656	14,096
Companies Traded	47	47	47
Market Breadth	17:25	20:21	17:25

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	23,500.21	0.1	1.8	17.1	18.1
All Share Index	3,749.47	0.1	1.6	17.2	18.4
Banks	4,948.46	0.1	1.9	16.5	16.0
Industrials	4,255.32	(0.2)	1.4	37.4	22.4
Transportation	3,578.43	2.1	3.1	8.5	19.8
Real Estate	1,851.04	0.0	0.6	(4.0)	16.3
Insurance	2,630.57	1.2	0.8	9.8	17.4
Telecoms	1,075.41	(0.3)	(0.4)	6.4	N/A
Consumer	8,333.95	(0.2)	1.0	2.4	22.0
Al Rayan Islamic Index	4,921.69	(0.0)	1.1	15.3	20.3

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Dr Sulaiman Al Habib	Saudi Arabia	178.20	5.2	409.5	63.5
Bank Al-Jazira	Saudi Arabia	20.06	4.0	17,757.3	46.9
National Industrialization	Saudi Arabia	24.94	3.7	14,170.4	82.3
Qatar Gas Transport Co.	Qatar	3.31	3.5	21,590.3	4.1
Alinma Bank	Saudi Arabia	25.55	2.0	9,990.3	57.9

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mesaieed Petro. Holding	Qatar	2.40	(2.0)	9,735.0	17.2
Makkah Const. & Dev.	Saudi Arabia	77.10	(1.9)	177.4	20.5
Yanbu National Petro. Co.	Saudi Arabia	78.40	(1.6)	929.3	22.7
Ezdan Holding Group	Qatar	1.56	(1.5)	11,670.8	(12.2)
Knowledge Economic City	Saudi Arabia	18.70	(1.1)	462.2	57.4

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%
QLM Life & Medical Insurance	5.24	8.5	1,410.0	66.3
Qatar Gas Transport Company	3.31	3.5	21,590.3	4.1
Aamal Company	1.05	2.5	4,506.9	22.5
Al Khaleej Takaful Insurance Co.	4.60	2.2	1,435.5	142.4
Medicare Group	8.72	1.7	748.4	(1.3)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Gulf International Services	1.92	(3.8)	36,305.1	11.7
Qatar Gas Transport Company	3.31	3.5	21,590.3	4.1
United Development Company	1.60	0.4	20,281.7	(3.2)
Qatar Aluminium Manufacturing Co	1.98	(0.5)	18,679.8	104.9
Qatar Navigation	7.58	0.6	16,739.0	6.8

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Gulf International Services	1.92	(3.8)	36,305.1	11.7
Qatari Investors Group	2.55	(2.1)	1,913.1	40.6
Mesaieed Petrochemical Holding	2.40	(2.0)	9,735.0	17.2
Ezdan Holding Group	1.56	(1.5)	11,670.8	(12.2)
Dlala Brokerage & Inv. Holding	1.55	(1.2)	3,205.1	(13.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar Navigation	7.58	0.6	126,699.2	6.8
Gulf International Services	1.92	(3.8)	71,246.0	11.7
Qatar Gas Transport Company	3.31	3.5	71,004.6	4.1
QNB Group	20.20	(0.1)	58,244.7	13.3
Qatar Aluminium Manufacturing	1.98	(0.5)	37,254.6	104.9

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*	11,871.43	0.1	1.8	3.4	13.8	449.86	187,112.1	18.1	1.8	2.5
Dubai#	2,857.32	0.0	2.4	0.4	14.7	84.48	106,872.7	21.1	1.0	2.7
Abu Dhabi#	7,876.28	0.0	0.8	2.3	56.1	425.10	386,962.0	0.4	0.1	2.9
Saudi Arabia	11,939.58	0.3	2.1	3.9	37.4	1,983.21	2,800,833.2	28.8	2.6	2.2
Kuwait#	6,976.59	0.0	1.3	1.6	25.8	168.45	134,179.8	27.5	1.7	1.8
Oman	3,984.69	0.1	0.7	1.1	8.9	3.65	18,779.0	10.8	0.8	3.9
Bahrain	1,724.07	0.1	0.9	1.1	15.7	9.00	27,608.5	12.1	0.9	3.2

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded (\$ mn) do not include special trades, if any, #Data as on October 20, 2021)

Qatar Market Commentary

- The QE Index rose 0.1% to close at 11,871.4. The Transportation and Insurance indices led the gains. The index rose on the back of buying support from Arab and foreign shareholders despite selling pressure from Qatari and GCC shareholders.
- QLM Life & Medical Insurance and Qatar Gas Transport Company Ltd. were the top gainers, rising 8.5% and 3.5%, respectively. Among the top losers, Gulf International Services fell 3.8%, while Qatari Investors Group was down 2.1%.
- Volume of shares traded on Thursday fell by 19.9% to 224.1mn from 279.7mn on Wednesday. However, as compared to the 30-day moving average of 206.6mn, volume for the day was 8.5% higher. Gulf International Services and Qatar Gas Transport Company Ltd. were the most active stocks, contributing 16.2% and 9.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	41.04%	45.10%	(27,942,900.3)
Qatari Institutions	19.93%	33.24%	(91,562,886.4)
Qatari	60.97%	78.34%	(119,505,786.7)
GCC Individuals	0.70%	0.83%	(891,424.3)
GCC Institutions	2.73%	2.74%	(79,658.9)
GCC	3.42%	3.56%	(971,083.2)
Arab Individuals	10.70%	9.93%	5,309,580.8
Arab Institutions	0.00%	0.00%	–
Arab	10.70%	9.93%	5,309,580.8
Foreigners Individuals	3.28%	2.27%	6,934,269.9
Foreigners Institutions	21.63%	5.90%	108,233,019.2
Foreigners	24.91%	8.17%	115,167,289.1

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2021	% Change YoY	Operating Profit (mn) 3Q2021	% Change YoY	Net Profit (mn) 3Q2021	% Change YoY
Yanbu Cement Co.	Saudi Arabia	SR	207.8	-13.6%	37.5	-55.0%	36.4	-55.9%
Takween Advanced Industries Co.	Saudi Arabia	SR	222.5	21.3%	(8.6)	N/A	40.3	556.7%
Saudi Telecom Co.	Saudi Arabia	SR	15,735.0	5.7%	3,192.0	-7.7%	2,924.0	5.7%
Arriyadh Development Co.	Saudi Arabia	SR	61.9	3.7%	33.4	-15.4%	70.8	28.5%
Saudia Dairy and Foodstuff Co.	Saudi Arabia	SR	530.1	-1.0%	59.2	-20.5%	53.7	-23.6%

Source: Company data, DFM, ADX, MSM, TASI, BHB.

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
10-21	US	Department of Labor	Initial Jobless Claims	16-Oct	290k	297k	296k
10-21	US	Department of Labor	Continuing Claims	09-Oct	2481k	2548k	2603k
10-22	US	Markit	Markit US Manufacturing PMI	Oct	59.2	60.5	60.7
10-22	US	Markit	Markit US Services PMI	Oct	58.2	55.2	54.9
10-22	US	Markit	Markit US Composite PMI	Oct	57.3	--	55
10-22	UK	Markit	Markit UK PMI Manufacturing SA	Oct	57.7	56	57.1
10-22	UK	Markit	Markit/CIPS UK Services PMI	Oct	58	54.5	55.4
10-22	UK	Markit	Markit/CIPS UK Composite PMI	Oct	56.8	54	54.9
10-21	EU	European Commission	Consumer Confidence	Oct	-4.8	-5	-4
10-22	EU	Markit	Markit Eurozone Manufacturing PMI	Oct	58.5	57.1	58.6
10-22	EU	Markit	Markit Eurozone Services PMI	Oct	54.7	55.4	56.4
10-22	EU	Markit	Markit Eurozone Composite PMI	Oct	54.3	55.2	56.2
10-22	Germany	Markit	Markit/BME Germany Manufacturing PMI	Oct	58.2	56.6	58.4
10-22	Germany	Markit	Markit Germany Services PMI	Oct	52.4	55.2	56.2
10-22	Germany	Markit	Markit/BME Germany Composite PMI	Oct	52	54.3	55.5
10-21	France	INSEE National Statistics Office	Business Confidence	Oct	113	110	111
10-21	France	INSEE National Statistics Office	Manufacturing Confidence	Oct	107	105	107
10-22	France	Markit	Markit France Manufacturing PMI	Oct	53.5	54	55
10-22	France	Markit	Markit France Services PMI	Oct	56.6	55.5	56.2
10-22	France	Markit	Markit France Composite PMI	Oct	54.7	54.7	55.3
10-22	Japan	Ministry of Internal Affairs and Communications	Natl CPI YoY	Sep	0.20%	0.20%	-0.40%
10-22	Japan	Markit	Jibun Bank Japan PMI Mfg	Oct	53	--	51.5
10-22	Japan	Markit	Jibun Bank Japan PMI Services	Oct	50.7	--	47.8
10-22	Japan	Markit	Jibun Bank Japan PMI Composite	Oct	50.7	--	47.9

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 3Q2021 results	No. of days remaining	Status
CBQK	The Commercial Bank	24-Oct-21	0	Due
DBIS	Dlala Brokerage & Investment Holding Company	24-Oct-21	0	Due
QAMC	Qatar Aluminum Manufacturing Company	24-Oct-21	0	Due
WDAM	Widam Food Company	24-Oct-21	0	Due
QLMI	QLM Life & Medical Insurance Company	24-Oct-21	0	Due
MERS	Al Meera Consumer Goods Company	24-Oct-21	0	Due
QIIK	Qatar International Islamic Bank	25-Oct-21	1	Due
IQCD	Industries Qatar	25-Oct-21	1	Due
IGRD	Investment Holding Group	25-Oct-21	1	Due
AKHI	Al Khaleej Takaful Insurance Company	25-Oct-21	1	Due
QNNS	Qatar Navigation (Milaha)	26-Oct-21	2	Due
QATI	Qatar Insurance Company	26-Oct-21	2	Due
DHBK	Doha Bank	26-Oct-21	2	Due
QEWS	Qatar Electricity & Water Company	26-Oct-21	2	Due
IHGS	INMA Holding Group	26-Oct-21	2	Due
AHCS	Aamal Company	26-Oct-21	2	Due
GWCS	Gulf Warehousing Company	26-Oct-21	2	Due
QISI	Qatar Islamic Insurance Group	26-Oct-21	2	Due
QFBQ	Qatar First Bank	27-Oct-21	3	Due
QOIS	Qatar Oman Investment Company	27-Oct-21	3	Due
QCFS	Qatar Cinema & Film Distribution Company	27-Oct-21	3	Due
MPHC	Mesaieed Petrochemical Holding Company	27-Oct-21	3	Due
SIIS	Salam International Investment Limited	27-Oct-21	3	Due
ORDS	Ooredoo	27-Oct-21	3	Due
MCCS	Mannai Corporation	27-Oct-21	3	Due
QIMD	Qatar Industrial Manufacturing Company	27-Oct-21	3	Due
DOHI	Doha Insurance Group	27-Oct-21	3	Due
QGRI	Qatar General Insurance & Reinsurance Company	28-Oct-21	4	Due
GISS	Gulf International Services	28-Oct-21	4	Due
BLDN	Baladna	28-Oct-21	4	Due
ZHCD	Zad Holding Company	28-Oct-21	4	Due

Source: QSE

News

Qatar

- **ERES' bottom line rises to QR61.2mn in 3Q2021** – Ezdan Holding Group's (ERES) net profit rose 69.0% YoY (+145.3% QoQ) to QR61.2mn in 3Q2021. The company's rental income came in at QR320.7mn in 3Q2021, which represents an increase of 9.9% YoY (+6.0% QoQ). EPS amounted to QR0.009 in 9M2021 as compared to QR0.008 in 9M2020. (QSE, QNB FS Research)
- **Mekdam reports QR18.4mn net profit at the end of September 2021** – Mekdam Holding Group, a new entrant in the venture market of the Qatar Stock Exchange (QSE), has reported 9.4% YoY jump in net profit to QR18.4mn for the period ended September 30, 2021. This earnings growth is mainly attributable to the growth in business volume, said the company, whose revenues zoomed 71.9% YoY to QR180.4mn for the period ended September 30, 2021. "The easing of coronavirus restrictions has accelerated the pace of business implementation and recovery of the previous decline in the project execution and profitability," a company spokesman said. Mekdam Holding Chief Executive Ehab Naser said during 2021, it was able to sign new contracts with a total value of QR560mn, exceeding the target for the year. The total value of the contracts being implemented amounted to QR1.11bn, while the value of the remaining works amounted to QR767mn. With respect to the sales proposals, the total offers submitted and being negotiated with customers amounted to about QR1.5bn.

As of September 30, 2021, Mekdam Holding Group has maintained its liquidity levels of 77.3% of its assets, which are current assets. The current ratio (current assets to current liabilities) is 1.9 times. The group also maintained low levels of indebtedness, with net indebtedness (bank loans minus cash and cash balances) amounting to QR10.4mn. The company spokesman said the listing of Mekdam Holding Group has reflected in an increase in the market value of the shares from the initial price, and the group was able to increase its shareholder base to about 280, about 84% of who are Qataris. The annual rate of return to market cap (inverted P/E or price earnings ratio) of the group was about 6.6%, exceeding the annual rate of return to market cap on the QSE which was at 5.4% as of September 30, 2021. (QSE, Gulf-Times.com)

- **QNNS board of directors to meet on October 26** – Qatar Navigation (QNNS) has announced that its board of directors will be holding a meeting on October 26, 2021 to discuss the Financial Statements of 3Q2021. (QSE)
- **QNNS to holds its investors relation conference call on October 28** – Qatar Navigation (QNNS) will hold the conference call with the Investors to discuss the financial results for 3Q2021 on October 28, 2021 at 02:00 PM, Doha Time. (QSE)
- **QGRI to disclose its 3Q2021 financial results on October 28** – Qatar General Insurance & Reinsurance (QGRI) will disclose its financial statement for the period ending September 30, 2021 on October 28, 2021. (QSE)

- **Real estate trading volume exceeds QR464m during October 10 to 14** – The volume of real estate trading in sales contracts at Department of Real Estate Registration at the Ministry of Justice during the period from October 10 to 14 was QR464,406,865. The weekly bulletin issued by the Department shows that the list of real estate properties traded for sale included vacant lands, houses, residential buildings, multi-purpose buildings, multi-use lands, and a residential compound. Sales were concentrated in Al Wakra, Al Rayyan, Doha, Al Daayen, Umm Salal, Al Khor, Al Dakhira and Al Shamal. The volume of real estate trading during the period October 3 to 7 reached QR369,607,804. (Peninsula Qatar)
- **Qatar and UK to launch annual strategic dialogue** – The State of Qatar and the UK announced yesterday that they intend to launch an annual bilateral strategic dialogue, and agreed to hold the first one in London in the first quarter of 2022. This came following the meeting in Doha between Deputy Prime Minister and Minister of Foreign Affairs, H E Sheikh Mohammed bin Abdulrahman Al Thani and Secretary of State for Foreign, Commonwealth and Development Affairs of the UK, H E Liz Truss. The joint statement made to announce the launch of the strategic dialogue between the State of Qatar and the United Kingdom said that it will reflect on the strength of bilateral relations and explore opportunities that benefit the peoples of the two countries to enhance cooperation. The statement added that there is a strong partnership between Qatar and the UK in developing commerce, investment, defense, security, technology, cooperation on counter-terrorism, public health, climate change, energy, culture, sports, education, and enhancing peace and security with friends and allies around the world, which includes infrastructure and investing in developing countries. (Peninsula Qatar)
- **Commercial Bank launches Self-Service Card Printing Machines** – The Commercial Bank is introducing its latest innovative service, the Self-Service Card Printing Machines. This launch comes in alignment with the bank's strategy to enhance the customer's banking experience via digitalization and process automation. An instant self-service card printing experience will be available for Commercial Bank cardholders through the Self-Service Card Printing Machines placed at convenient customer locations for all new card, renewed card and card replacement requests. Customers will automatically receive an SMS when their card will be ready for printing at the machine. They can then visit a Self-Service Card Printing Machine location of their choice to print and collect their cards with easy to follow on-screen instructions. The whole card printing process takes less than two minutes. (Gulf-Times.com)
- **Qatar inaugurates Al Thumama Stadium, 2022 World Cup's Sixth Venue** – In a festive and traditional atmosphere, Qatar inaugurated Al Thumama Stadium, the sixth venue for the 2022 Qatar FIFA World Cup, which witnessed the final of the 49th HH the Amir Cup between Al Sadd and Al Rayyan. Also, FIFA President Gianni Infantino and several heads of Arab and international sports associations attended the opening ceremony. The ceremony included shows and scenes that embody the traditional customs that characterize the people of Qatar and the region. The stadium resembles the 'gahfiya' head cap worn by men and boys across the Arab world. Located 12km south of Doha's glittering skyline, Al Thumama Stadium will host FIFA World Cup Qatar 2022 matches up to and including the quarter-finals. (Gulf-Times.com)
- **Fitch places The Commercial Bank on Rating Watch Negative** – Fitch Ratings has placed The Commercial Bank's (CBQK) Long-Term Issuer Default Rating (IDR) of 'A' on Rating Watch Negative (RWN). The Short-Term IDR and Support Rating Floor (SRF) were also placed on RWN. CBQK's Viability

Rating (VR) has been affirmed at 'bb+'. A full list of rating actions is below. The RWN reflects the Qatari banking sector's increasing reliance on external funding and recent rapid asset growth, which may have moderately weakened the sovereign's ability to provide support to the system, in case of need. (Bloomberg)

- **Fitch places Qatar Islamic Bank on Rating Watch Negative** – Fitch Ratings has placed Qatar Islamic Bank's (QIBK) Long-Term Issuer Default Rating (IDR) of 'A' on Rating Watch Negative (RWN). The Short-Term IDR and Support Rating Floor (SRF) were also placed on RWN. QIBK's Viability Rating (VR) has been affirmed at 'bbb'. A full list of rating actions is below. The RWN reflects the Qatari banking sector's increasing reliance on external funding and recent rapid asset growth, which may have moderately weakened the sovereign's ability to provide support to the system, in case of need. (Bloomberg)
- **Fitch places QNB Group on Rating Watch Negative** – Fitch Ratings has placed QNB Group's (QNBK) Long-Term Issuer Default Rating (IDR) of 'A+' on Rating Watch Negative (RWN). The Short-Term IDR of 'F1' and Support Rating Floor (SRF) of 'A+' were also placed on RWN. QNBK's Viability Rating (VR) has been affirmed at 'bbb+'. A full list of rating actions is at the end of this commentary. The RWN reflects the Qatari banking sector's increasing reliance on external funding and recent rapid asset growth, which may have moderately weakened the sovereign's ability to provide support to the system, in case of need. (Bloomberg)

International

- **US budget deficit in September smallest since January 2020, Treasury says** – The US federal budget deficit shrank in September to \$62bn from \$125bn in the year-earlier period and was the smallest budget gap since January 2020. (Reuters)
- **US 2021 fiscal year deficit below prior year's record, Treasury says** – The US budget deficit totaled \$2.772tn during fiscal 2021, below the prior year's record shortfall but still reflecting a second straight year of massive spending to support households and businesses through the coronavirus pandemic, the Treasury Department said on Friday. The US posted a deficit of \$3.132tn in fiscal 2020, when the federal government first started spending frantically in response to the pandemic. The \$360bn drop in the deficit - the first decrease in six years - reflected the rebound in economic activity this year as rollouts of COVID-19 vaccines and relief payments to households helped to fuel a powerful recovery from last year's recession. The US economy is on track to grow by as much as 6% this year in a rebound spurred by the emergency measures enacted under the current administration of Democratic President Joe Biden and his predecessor, Republican Donald Trump. Combined with the launch of vaccines against COVID-19 late last year and an end to lockdowns over the course of this year, the federal programs have unleashed a wave of consumer spending that is powering the fastest growth since the 1980s. Receipts for the full fiscal year, which runs from October 1 through September 30, totaled \$4.046tn, an increase of \$626bn, or 18.3%, from fiscal 2020, with higher individual and business income taxes from an improving economy fueling the rise, Treasury said. Fiscal 2021 outlays jumped by \$266bn, or 4.1%, to \$6.818tn, with the increase driven by continued spending from legislation enacted to support the economy through the pandemic, the department said. (Reuters)
- **US weekly jobless claims hit 19-month low as labor market tightens** – The number of Americans filing new claims for unemployment benefits dropped to a 19-month low last week, pointing to a tightening labor market, though a shortage of workers could keep the pace of hiring moderate in October. The

weekly unemployment claims report from the Labor Department on Thursday, the most timely data on the economy's health, also showed unemployment rolls shrinking significantly early this month. There is cautious optimism that the expiration of federal government-funded benefits on September 6 will broaden the pool of labor in the coming months. Initial claims for state unemployment benefits fell 6,000 to a seasonally adjusted 290,000 for the week ended October 16, the lowest level since the middle of March in 2020, when the nation was in the early stage of the COVID-19 pandemic. It was also the second straight week that claims remained below 300,000 as employers hold on to workers in the face of an acute labor shortage. Economists polled by Reuters had forecast 300,000 claims for the latest week. Unadjusted claims, which economists say offer a better read of the labor market, tumbled 24,293 to 256,304 last week. A jump of 17,570 in filings in California was offset by notable declines in Virginia, Michigan, Pennsylvania, Texas, New York, Kentucky and the District of Columbia. Claims have declined from a record high of 6.149mn in early April 2020. A 250,000-300,000 range for claims is seen as consistent with a healthy labor market. The number of people continuing to receive benefits after an initial week of aid dropped 122,000 to 2.481mn in the week ended October 9. That was also the lowest level since the middle of March in 2020. (Reuters)

- IHS Markit survey: US business activity accelerates in October, shortages hamper factories** – US business activity increased solidly in October, suggesting economic growth picked up at the start of the fourth quarter as COVID-19 infections subsided, though labor and raw material shortages held back manufacturing. Data firm IHS Markit said its flash US Composite PMI Output Index, which tracks the manufacturing and services sectors, rebounded to a reading of 57.3 in the first half of this month from 55.0 in September. A reading above 50 indicates growth in the private sector. A resurgence in coronavirus infections, driven by the Delta variant, weighed on demand for services in consumer-facing businesses like restaurants, hotels and air travel. Together with shortages across nearly all industries, the flare-up in infections curbed economic activity. GDP growth estimates for the third quarter are mostly below a 3% annualized rate. The economy grew at a 6.7% pace in the second quarter. The government is due to publish its snapshot of third-quarter GDP next Thursday. The pick up in business activity this month was driven by the services sector. The IHS Markit survey's flash services sector PMI rebounded to a reading of 58.2 from 54.9 in September. Economists polled by Reuters had forecast a reading of 55.1 this month for the services sector, which accounts for more than two-thirds of US economic activity. Services industry businesses reported that unfinished work piled up at the fastest clip since the data firm started tracking the series 12 years ago. This was despite companies boosting hiring. Businesses still complained about difficulties finding workers. (Reuters)
- Fed's Powell: On track for taper, high inflation could last into next year** – Federal Reserve Chair Jerome Powell on Friday said the US central bank should start the process of reducing its support of the economy by cutting back on its asset purchases, but should not yet touch the interest rate dial. "I do think it's time to taper; I don't think it's time to raise rates," Powell said in a virtual appearance before a conference, noting that there are still five million fewer US jobs now than there were before the coronavirus pandemic. He also reiterated his view that high inflation will likely abate next year as pressures from the pandemic fade. "We think we can be patient and allow the labor market to heal," he said. The Fed has promised to keep its benchmark overnight interest rate at the current near-zero level until the economy has returned to full employment and inflation

has reached the central bank's 2% goal and is on track to stay moderately above that level for some time. It's "very possible" the Fed's full employment goal could be met next year, Powell said on Friday, if supply-chain constraints ease as expected and the service sector opens more fully, allowing job growth to speed back up. Job gains slowed sharply in August and September as COVID-19 cases surged. Still, it's not a certainty, and if inflation - already higher and lasting longer than initially expected - moves persistently upward, the Fed would "certainly" act, he said. "Our policy is well positioned to manage a range of plausible outcomes," Powell added. "We need to watch, and watch carefully, and see if the economy is evolving consistent with our expectations, and adapt policy accordingly." The remarks appeared to open the door to a possibility the Fed dreads: needing to raise interest rates to prevent inflation from spiraling out of control and, by doing so, cutting short the jobs recovery. Powell said he doesn't see that as the current situation, but he does see a growing tension between the Fed's two mandates of full employment and stable prices. (Reuters)

- UK recovery perks up despite consumer gloom and inflation surge** – Britain's economy unexpectedly regained momentum in October, despite surging costs and mixed consumer signals, according to surveys on Friday that could tempt the Bank of England to raise interest rates for the first time since the pandemic. The preliminary "flash" IHS Markit/CIPS Composite Purchasing Managers' Index rose by the largest amount since May to hit 56.8, up from 54.9 in September. By contrast, a Reuters poll of economists had pointed to a further slowdown to 54.0. Sterling rose to the day's high so far against the dollar after the data, which contrasted with earlier figures showing a record fifth straight monthly fall in retail sales in September, despite panic-buying of petrol late in the month. However, IHS Markit's chief business economist, Chris Williamson, said the unexpected rebound in the PMI should not be viewed as a green light for the BoE to raise rates on November 4. Market researchers GfK said households this month were the gloomiest since the last lockdown in February, due to higher prices, shortages in shops and petrol stations and a big increase in the number of coronavirus cases. (Reuters)
- UK retail sales fall in September despite panic buying of fuel** – British retail sales unexpectedly fell for a fifth month in a row last month, despite a rush of motorists filling their cars with fuel, adding to signs that Britain's economic recovery is losing momentum. Sales volumes dropped by 0.2% in September, official figures showed on Friday, as supply-chain problems led to gaps on store shelves. It marked the longest run of consecutive monthly falls since the series began in 1996 and bucked economists' expectations in a Reuters poll for a rise of 0.5%. This softness adds to the conundrum faced by the Bank of England over whether to counter rapidly rising inflation by raising interest rates next month, or instead to wait for the economy to recover more of the ground it lost to the pandemic. "Overall, the data support our view that the economic recovery stalled in September," said Bethany Beckett, UK economist at Capital Economics. Retail sales rebounded strongly in the first part of the year as lockdown restrictions eased first for shops. But they have fallen steadily since a peak in April, partly as people spent more on holidays and eating out after social-distancing restrictions were relaxed more generally. In the three months to September sales fell 3.9%, which the Office for National Statistics said would reduce broader economic growth in the third quarter by 0.2 percentage points. Compared with before the pandemic, sales volumes are 4.2% higher, but they are 1.3% below where they were a year ago. (Reuters)
- PMIs: Eurozone business growth slowed in October, prices soared** – Growth in Eurozone business activity slowed this

month as firms faced soaring costs due to supply-chain constraints, while the bloc's dominant service industry struggled amid ongoing COVID-19 concerns, a survey showed on Friday. IHS Markit's Flash Composite Purchasing Managers' Index (PMI), a good gauge of overall economic health, fell to a six-month low of 54.3 in October from 56.2 in September. That matched the lowest forecast in a Reuters poll which had predicted a more modest drop to 55.2 but was still comfortably above the 50-mark which separates growth from contraction. Supply chain bottlenecks caused by the coronavirus pandemic, alongside a shortage of heavy goods vehicle drivers, meant the input prices index jumped to 73.1 from 70.9, by far the highest since the survey began in mid-1998. Growth in activity slowed in Germany, Europe's largest economy, while in France an expansion in the dominant services sector was offset by weakness among manufacturers, as supply chain issues impacted business. In Britain, outside the Eurozone, the economy unexpectedly regained momentum, although cost pressures rising there by the most in more than 25 years could encourage the Bank of England to raise interest rates for the first time since the pandemic. The BoE is expected to become the first major central bank to raise interest rates in the post-pandemic cycle, a recent Reuters poll found, but economists thought the first hike would not come until early next year, later than markets are pricing in. (Reuters)

- **Eurozone inflation expectations hit ECB target of 2%** – A key market gauge of Eurozone inflation expectations rose above the ECB's inflation target of 2% for the first time in seven years on Friday, just as the central bank weighs how to proceed with stimulus when its pandemic-era support ends. The so-called five-year, five-year forward inflation swap jumped by as much as 10 basis points to 2.0528%, the highest since 2014. Prices have soared this year on supply bottlenecks and spiking energy prices, with euro area inflation hitting a 13-year high in September. Peter McCallum, rates strategist at Mizuho, said the ECB, which tracks the market inflation gauge, will probably be keen to talk down the rise at its policy meeting next Thursday. After undershooting its inflation target of "close to, but below 2%" for years, the ECB adopted a 2%, symmetrical inflation target in July which will allow it to tolerate temporary overshoots. Though market pricing suggests inflation will reach target over the longer term, the ECB maintains that the current rise in inflation is transitory and projects a fall to 1.5% by 2023. That means it would not be able to raise interest rates for years to come and policymakers have started to push back against the higher rates money markets are pricing in from next year. Friday's spike in breakeven rates, which measure the difference between nominal and inflation-linked real bond yields, was driven by a fall Euro area real yields to a record low around -1.87%. In Germany, real yields also fell to a record low and the breakeven rate rose to around 1.91%, the highest since 2013. (Reuters)
- **PMI: Japan's private-sector activity grows for first time in 6 months** – Japan's factory activity growth in October picked up from the previous month, while that of the services sector expanded for the first time in 21 months after an easing of coronavirus pandemic restrictions at home. Manufacturers struggled with supply chain disruptions and surging raw material demand that fueled the sharpest rise in input prices in more than 13 years, as the health crisis continues to impact the global economy. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) rose to a seasonally adjusted 53.0 in October from a final 51.5 in the previous month. Key survey components showed output and new orders expanded thanks in part due to stronger overseas demand. The au Jibun Bank Flash Services PMI Index rose to a seasonally

adjusted 50.7 from the prior month's final of 47.8. That meant services sector activity stayed above the 50.0 threshold that separates contraction from expansion for the first time since January 2020, before the economy went through its deep COVID-19 slump. The au Jibun Bank Flash Japan Composite PMI, which is estimated by using both manufacturing and services, rose to 50.7 from September's final of 47.9, marking its highest since April. (Reuters)

- **BOJ discussing phasing out pandemic support as economy reopens** – The Bank of Japan is discussing phasing out a COVID-19 loan program if infections in the country continue to dwindle, sources told Reuters, potentially setting the bank up to exit a key crisis-mode policy sooner than investors expect. Markets have been anticipating a third extension of the scheme, set to expire in March. Policymakers have not reached a consensus as discussions are preliminary, said three people familiar with the central bank's thinking, and a decision is unlikely before December. But with corporate funding strains easing, infections falling sharply and the world's third-biggest economy reopening, some policymakers are contemplating ending the emergency program in March, the sources said. There is also a concern that banks are using the scheme to reap a reward on tapping in, rather than passing on the cash to companies, the sources said. This reflects a growing concern over side-effects of paying financial institutions 0.1% interest to tap the program, without close scrutiny into whether the money is going, as targeted, to smaller firms in need of cash. Ending the program would defy market expectations, given a string of comments from policymakers stressing that the bank's focus would remain on healing the wounds of the pandemic. The move would put the BOJ more in line with other big central banks in heading for an exit from crisis-mode policies, as economies emerge from the pandemic-induced doldrums. (Reuters)
- **Russia ups key rate sharply to 7.5%, signals further hikes** – Russia's central bank raised its key interest rate by more than expected to 7.5% on Friday, sparking a rally in the Rouble, and signaled further increases as inflation showed little sign of slowing. The central bank, which targets inflation at 4%, raised rates for the sixth time this year to tame the highest inflation since early 2016, brushing off concerns that higher rates could harm businesses with more expensive borrowing. The decision to raise the rate by 75 basis points sent the Rouble beyond 70 versus the dollar to levels last seen in June 2020. It also surprised the market which had on average expected the bank would opt for 50 bps after raising rates by 25 bps in September. "This is a significant increase and, obviously, this is not a fine-tuning exercise," Governor Elvira Nabiullina said, presenting the rate move. Confirming the bank's readiness to fight inflation further, Nabiullina said the board also considered a 100 bps hike on Friday and such a step could not be ruled out in the future. High inflation dents living standards and has been one of the key concerns among households, prompting authorities to offer social support payments that can in turn spur inflation further. Higher rates help tame consumer inflation by pushing up lending costs and increasing the appeal of bank deposits. The central bank revised its year-end inflation forecast to 7.4-7.9% from 5.7-6.2% but said it was on track to return to 4.0-4.5% in 2022. It was too early to speak of the end to monetary tightening as the key rate may stay at a "elevated level" longer than previously expected, Nabiullina said of the bank's revision of 2022 average rate forecast to 7.3-8.3% from 6.0-7.0%. (Reuters)

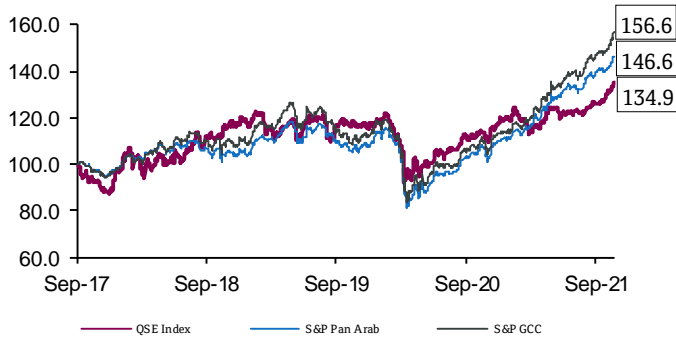
Regional

- **Middle east tanker glut to remain above average despite OPEC+** – The overhang of supertankers in the Persian Gulf is set to stay above the five-year seasonal average in the coming

month. The impact of OPEC+ supply increases is somewhat muted by the group's inability to keep pace with new production targets, according to Clarksons Platou. The excess of tankers vs cargoes is at 28%, according to the median estimate in a Bloomberg survey of four people involved in the market. (Bloomberg)

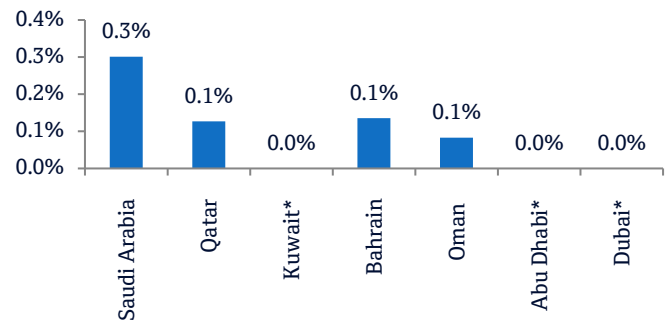
- **IMF has most favorable outlook for the Saudi economy in 2021 compared to other organizations** – The International Monetary Fund expects the Saudi economy to grow by 2.8% in 2021, higher than forecasts by other global and local institutions. In its latest regional economic outlook, the international organization said that oil exporters such as Saudi Arabia are expected to expand their production after August 2021. In addition, strong vaccination campaigns and higher oil prices are projected to boost the non-oil sector of the Kingdom's economy, prompting an expansion in economic activity. The Saudi Ministry of Finance expects the Saudi economy to grow by 2.4% in 2021, in line with the World Bank's predictions. (Zawya)
- **Top oil exporter Saudi Arabia targets net zero emissions by 2060** – Saudi Arabia's crown prince said on Saturday that the world's top oil exporter aims to reach zero-net emissions by 2060 and will more than double its annual target to reduce carbon emissions. Crown Prince Mohammed bin Salman and his energy minister said OPEC member Saudi Arabia would tackle climate change while ensuring oil market stability, stressing the continued importance of hydrocarbons. (Zawya)
- **Jadwa: Potential \$100 per barrel oil price is unlikely to be sustainable** – Oil prices could surge to \$100 per barrel but only for a brief period, according to Saudi-based capital market company Jadwa. The firm's quarterly oil market report said the rise was conditional on an acceleration in gas-to-liquid substitution during the winter months, combined with any unforeseen outages in oil production. However, this soaring level of prices is unlikely to persist, if it does indeed hit \$100, Jadwa said. (Zawya)
- **Saudi Investment Bank plans redemption of \$133.33mn sukuk** – The Saudi Investment Bank (SAIB) intends to redeem its outstanding SR500mn Additional Tier 1 Capital Sukuk on 21 November. The Sukuk was issued through a private placement on 21 November 2016, according to a bourse filing on Wednesday. SAIB said regulatory approval has been obtained to allow the redemption transaction. (Zawya)
- **Projects: Saudi Aramco invites proposals for Jafurah cogeneration plant** – Saudi Aramco has invited engineering, procurement and construction firms to submit proposals for its \$300mn Jafurah cogeneration independent steam and power plant (ISPP) in Eastern Province, according to a source aware of the details. The scope of work involves the development and operation of a 270 to 320-megawatt dedicated steam and power plant for the Jafurah gas field. (Zawya)
- **Saudi Arabia, world's biggest oil exporter, to unveil green goals** – Top oil exporter Saudi Arabia, one of the world's biggest polluters, will detail its plans to address climate change at an environment event on Saturday. The Saudi Green Initiative, first announced in March, comes ahead of the 26th UN Climate Change Conference of the Parties, or COP26, in Glasgow from October 31 - November 12, that hopes to agree on deeper emissions cuts to tackle global warming. Riyadh, a signatory to the Paris climate pact, has yet to announce nationally determined contributions (NDCs) - goals for individual states under global efforts to prevent average global temperatures from rising beyond 1.5 degrees Celsius above pre-industrial levels. (Reuters)
- **Saudi contracting firm Al Arabia sets new IPO price range** – Saudi-based Arabian Contracting Services Company and GIB Capital, a leading investment bank in the Gulf region, have set the final offer price for its IPO at SR100 per share, with the coverage amounting to 126.6 times the volume of offered shares. GIB Capital, in its capacity as the financial advisor, book-runner and lead underwriter for the offering, has completed the book building process for the participating parties tranche. The volume of requests from the participating parties reached a total of approximately SR190bn, said Arabian Contracting Services Company in its filing to the Saudi bourse Tadawul. (Zawya)
- **Nayifat Financing IPO said fully covered across price range** – Riyadh-based Nayifat Financing Co., which is listing a 35% stake, has gathered enough demand to cover the order book throughout the price range, according to people familiar with the matter. Nayifat Financing has set the price range for its offering at SR29 to SR34 a share on Thursday. (Bloomberg)
- **Beltone forecast: Economic growth in the UAE will peak next year** – The UAE's main economic indicators will achieve their highest growth rates in a decade during 2022 with the support of Expo 2020, Egypt-based investment bank Beltone has forecast. It predicts growth in private spending, non-oil GDP, tax and tourism revenues, with additional expenditure on consumer goods and services during the Expo months, Asharq news reported. (Zawya)
- **Memo: UBS eyes Mideast expansion with new wealth desk in Dubai** – UBS will establish a new wealth desk in Dubai that will add coverage of Oman and Kuwait markets, and a dedicated sales team to capture business growth in the Middle East, according to an internal memo. "The new desk will be in charge of markets onto which we will put increased focus out of this location going forward," said the note seen by Reuters. Former Credit Suisse banker Georges El Khoury will be desk head in Dubai, with other members of the team including Abdul Latif, Ilyad Jundi and Sarika Chandwani, who will cover Kuwait, Oman and the UAE. (Zawya)
- **Pragmatic approach needed for climate action, oil and gas remain important, says ADNOC CEO** – Abu Dhabi National Oil Co (ADNOC) Chief Executive Sultan al-Jaber on Saturday stressed the importance of oil and gas in meeting energy requirements and said climate action should not be an economic burden on developing nations. Jaber, who is also the United Arab Emirates' minister of industry and advanced technology, told the Saudi Green Initiative that the world had "sleepwalked" into a supply crunch after a "serious" reduction in investment in hydrocarbons in the past 7-8 years. (Reuters)
- **Oman September consumer prices rise 2.46% YoY** – Oman's consumer prices rose 2.46% YoY in September versus +2.08% in August, according to The Oman National Centre for Statistics & Information. (Bloomberg)
- **KUNA: Kuwait has begun increasing oil production** – Kuwait has begun to increase its crude production in accordance with an agreement reached by the Organisation of Petroleum Exporting Countries and its allies, a group known as OPEC+, Oil Minister Mohammad al-Fares said on Thursday. The minister, cited by the state news agency KUNA, said Kuwait's plans to increase output includes production from the shared zone with Saudi Arabia. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,792.65	0.5	1.4	(5.6)
Silver/Ounce	24.32	0.7	4.3	(7.9)
Crude Oil (Brent)/Barrel (FM Future)	85.53	1.1	0.8	65.1
Crude Oil (WTI)/Barrel (FM Future)	83.76	1.5	1.8	72.6
Natural Gas (Henry Hub)/MMBtu	5.08	3.3	(6.6)	112.6
LPG Propane (Arab Gulf)/Ton	140.75	(1.6)	(5.0)	87.0
LPG Butane (Arab Gulf)/Ton	163.25	(1.1)	(2.7)	134.9
Euro	1.16	0.2	0.4	(4.7)
Yen	113.50	(0.4)	(0.6)	9.9
GBP	1.38	(0.3)	0.0	0.6
CHF	1.09	0.2	0.8	(3.4)
AUD	0.75	(0.0)	0.6	(3.0)
USD Index	93.64	(0.1)	(0.3)	4.1
RUB	70.32	(1.1)	(1.0)	(5.5)
BRL	0.18	0.2	(3.3)	(8.1)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,151.16	(0.0)	1.3	17.1
DJ Industrial	35,677.02	0.2	1.1	16.6
S&P 500	4,544.90	(0.1)	1.6	21.0
NASDAQ 100	15,090.20	(0.8)	1.3	17.1
STOXX 600	471.88	0.4	0.9	12.5
DAX	15,542.98	0.4	0.0	7.2
FTSE 100	7,204.55	(0.1)	(0.4)	12.4
CAC 40	6,733.69	0.7	0.4	15.4
Nikkei	28,804.85	0.5	(0.2)	(4.5)
MSCI EM	1,293.14	0.0	0.7	0.1
SHANGHAI SE Composite	3,582.60	(0.2)	1.1	5.5
HANG SENG	26,126.93	0.4	3.2	(4.3)
BSE SENSEX	60,821.62	(0.3)	(0.7)	24.2
Bovespa	106,296.20	(2.3)	(11.5)	(19.1)
RTS	1,877.99	0.5	(0.7)	35.4

Source: Bloomberg (*\$ adjusted returns)

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