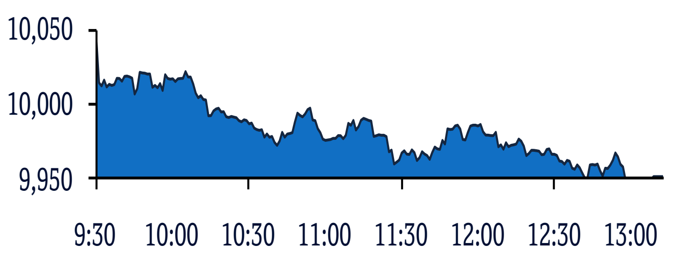
# Daily Market Report

Thursday, 25 February 2021

## QSE Intra-Day Movement




## Qatar Commentary

The QE Index declined 0.7% to close at 9,952.9. Losses were led by the Insurance and Industrials indices, falling 1.4% and 1.3%, respectively. Top losers were Salam International Investment Limited and Qatar General Insurance & Reinsurance Company, falling 4.2% and 4.0%, respectively. Among the top gainers, Doha Insurance Group gained 10.0%, while Aamal Company was up 9.4%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.4% to close at 9,115.8. Losses were led by the Software & Serv. and Consumer Dur. indices, falling 7.6% and 4.8%, respectively. Arab Sea Info. Systems declined 10.0%, while Al Jouf Agriculture was down 9.9%.

**Dubai:** The DFM Index fell 1.5% to close at 2,507.8. The Consumer Staples index declined 2.5%, while the Investment & Fin. Services index fell 2.1%. Emirates Refreshments declined 5.0%, while Almadina for Finance and Inv. was down 4.7%.

**Abu Dhabi:** The ADX General Index fell 0.7% to close at 5,629.5. The Banks index declined 1.2%, while the Real Estate index fell 1.0%. Bank of Sharjah and Abu Dhabi Commercial Bank were down 2.5% each.

**Kuwait:** The Kuwait All Share Index fell 0.1% to close at 5,649.2. The Industrials index declined 2.0%, while the Insurance index fell 1.8%. Kuwait Reinsurance Co. declined 9.5%, while Al Mudon International Real Estate Company was down 5.2%.

**Oman:** The MSM 30 Index gained 0.4% to close at 3,590.3. Gains were led by the Financial and Services indices, rising 0.7% and 0.2%, respectively. Al Madina Takaful Company rose 8.6%, while Al Jazeera Steel Products Co. was up 7.1%.

**Bahrain:** The BHB Index gained 0.2% to close at 1,463.0. The Commercial Banks index rose 0.4%, while the Services index gained 0.1%. Zain Bahrain rose 0.9%, while Ahli United Bank was up 0.7%.

| Market Indicators | 24 Feb 21 | 23 Feb 21 | %Chg. |
|---|---|---|---|
| Value Traded (QR mn) | 504.8 | 414.0 | 21.9 |
| Exch. Market Cap. (QR mn) | 579,185.7 | 582,287.0 | (0.5) |
| Volume (mn) | 199.9 | 129.5 | 54.3 |
| Number of Transactions | 11,977 | 10,687 | 12.1 |
| Companies Traded | 46 | 47 | (2.1) |
| Market Breadth | 17:27 | 25:21 | – |

| Market Indices | Close | 1D% | WTD% | YTD% | TTM P/E |
|---|---|---|---|---|---|
| Total Return | 19,265.30 | (0.7) | (2.8) | (4.0) | 18.3 |
| All Share Index | 3,091.54 | (0.4) | (1.9) | (3.4) | 19.1 |
| Banks | 4,076.27 | (0.0) | (0.0) | (4.0) | 14.7 |
| Industrials | 3,080.18 | (1.3) | (5.2) | (0.6) | 31.0 |
| Transportation | 3,310.45 | (0.7) | (3.2) | 0.4 | 22.4 |
| Real Estate | 1,774.34 | (1.0) | (3.8) | (8.0) | 17.2 |
| Insurance | 2,287.68 | (1.4) | (3.5) | (4.5) | N.A. |
| Telecoms | 1,030.73 | (0.5) | (2.7) | 2.0 | 24.1 |
| Consumer | 7,584.80 | 0.1 | (2.7) | (6.8) | 25.1 |
| Al Rayan Islamic Index | 4,113.66 | (0.2) | (3.0) | (3.6) | 19.0 |

| GCC Top Gainers## | Exchange | Close# | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|---|
| Bank Al Bilad | Saudi Arabia | 31.95 | 9.4 | 5,132.1 | 12.7 |
| National Industrialization | Saudi Arabia | 14.82 | 5.6 | 23,204.6 | 8.3 |
| Yanbu National Petro. Co. | Saudi Arabia | 68.50 | 3.0 | 1,219.3 | 7.2 |
| Sohar International Bank | Oman | 0.08 | 2.6 | 342.8 | (14.3) |
| Kingdom Holding Co. | Saudi Arabia | 7.90 | 1.8 | 4,735.7 | (0.6) |

| GCC Top Losers## | Exchange | Close# | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|---|
| Agility Public Wareh. Co. | Kuwait | 0.66 | (4.9) | 21,283.4 | (2.4) |
| Emirates NBD | Dubai | 10.95 | (3.5) | 2,358.3 | 6.3 |
| Saudi Industrial Inv. | Saudi Arabia | 27.80 | (3.1) | 1,060.3 | 1.5 |
| Saudi Arabian Mining Co. | Saudi Arabia | 52.00 | (2.8) | 1,184.1 | 28.4 |
| Emaar Economic City | Saudi Arabia | 9.25 | (2.5) | 4,726.5 | 0.4 |

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% |
|---|---|---|---|---|
| Doha Insurance Group | 1.89 | 10.0 | 3,412.5 | 35.6 |
| Aamal Company | 0.92 | 9.4 | 36,394.7 | 7.3 |
| Al Meera Consumer Goods Co. | 21.20 | 6.1 | 502.8 | 2.4 |
| Investment Holding Group | 0.57 | 2.9 | 30,856.8 | (4.3) |
| Qatar First Bank | 1.77 | 2.4 | 3,028.2 | 2.8 |

| QSE Top Volume Trades | Close* | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|
| Aamal Company | 0.92 | 9.4 | 36,394.7 | 7.3 |
| Investment Holding Group | 0.57 | 2.9 | 30,856.8 | (4.3) |
| Salam International Inv. Ltd. | 0.58 | (4.2) | 24,099.6 | (11.7) |
| Qatar Aluminium Manufacturing | 1.03 | (1.4) | 16,097.1 | 6.3 |
| Masraf Al Rayan | 4.26 | 0.8 | 6,687.0 | (6.0) |

| QSE Top Losers | Close* | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|
| Salam International Inv. Ltd. | 0.58 | (4.2) | 24,099.6 | (11.7) |
| Qatar General Ins. & Reins. Co. | 2.40 | (4.0) | 62.1 | (9.8) |
| Qatar National Cement Company | 4.19 | (3.3) | 1,287.5 | 0.9 |
| Al Khaleej Takaful Insurance Co. | 2.55 | (3.0) | 535.5 | 34.4 |
| United Development Company | 1.48 | (2.3) | 3,964.0 | (10.5) |

| QSE Top Value Trades | Close* | 1D% | Val. '000 | YTD% |
|---|---|---|---|---|
| QNB Group | 16.85 | 0.2 | 107,858.3 | (5.5) |
| Qatar Islamic Bank | 15.65 | (0.7) | 37,016.0 | (8.5) |
| Aamal Company | 0.92 | 9.4 | 32,974.2 | 7.3 |
| Masraf Al Rayan | 4.26 | 0.8 | 28,474.3 | (6.0) |
| Ooredoo | 7.44 | (1.2) | 26,686.9 | (1.1) |

Source: Bloomberg (* in QR)

| Regional Indices | Close | 1D% | WTD% | MTD% | YTD% | Exch. Val. Traded ($ mn) | Exchange Mkt. Cap. ($ mn) | P/E** | P/B** | Dividend Yield |
|---|---|---|---|---|---|---|---|---|---|---|
| Qatar* | 9,952.86 | (0.7) | (3.1) | (5.0) | (4.6) | 137.29 | 157,191.0 | 18.3 | 1.4 | 3.7 |
| Dubai | 2,507.80 | (1.5) | (2.7) | (5.5) | 0.6 | 63.06 | 93,598.3 | 20.5 | 0.9 | 3.9 |
| Abu Dhabi | 5,629.54 | (0.7) | (0.2) | 0.6 | 11.6 | 242.84 | 215,540.7 | 22.5 | 1.5 | 4.3 |
| Saudi Arabia | 9,115.76 | (0.4) | 1.0 | 4.7 | 4.9 | 4,476.46 | 2,434,177.2 | 35.6 | 2.2 | 2.3 |
| Kuwait | 5,649.16 | (0.1) | (0.7) | (2.3) | 1.9 | 257.77 | 106,286.9 | 50.3 | 1.4 | 3.4 |
| Oman | 3,590.28 | 0.4 | 0.7 | (1.7) | (1.9) | 2.81 | 16,063.9 | 10.9 | 0.7 | 7.6 |
| Bahrain | 1,462.97 | 0.2 | (1.2) | 0.0 | (1.8) | 5.58 | 22,379.8 | 28.6 | 0.9 | 4.6 |

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 0.7% to close at 9,952.9. The Insurance and Industrials indices led the losses. The index fell on the back of selling pressure from Arab and Foreign shareholders despite buying support from Qatari and GCC shareholders.
- Salam International Investment Limited and Qatar General Insurance & Reinsurance Company were the top losers, falling 4.2% and 4.0%, respectively. Among the top gainers, Doha Insurance Group gained 10.0%, while Aamal Company was up 9.4%.
- Volume of shares traded on Wednesday rose by 54.3% to 199.9mn from 129.5mn on Tuesday. Further, as compared to the 30-day moving average of 173.4mn, volume for the day was 15.3% higher. Aamal Company and Investment Holding Group were the most active stocks, contributing 18.2% and 15.4% to the total volume, respectively.

| Overall Activity | Buy %* | Sell %* | Net (QR) |
|---|---|---|---|
| Qatari Individuals | 25.77% | 25.82% | (273,621.9) |
| Qatari Institutions | 18.30% | 14.82% | 17,568,189.7 |
| **Qatari** | **44.07%** | **40.65%** | **17,294,567.8** |
| GCC Individuals | 0.93% | 0.92% | 70,626.2 |
| GCC Institutions | 3.12% | 1.34% | 8,960,192.5 |
| **GCC** | **4.05%** | **2.26%** | **9,030,818.7** |
| Arab Individuals | 8.73% | 9.89% | (5,861,214.2) |
| Arab Institutions | 0.00% | – | 3,414.5 |
| **Arab** | **8.73%** | **9.89%** | **(5,857,799.8)** |
| Foreigners Individuals | 2.47% | 4.49% | (10,192,507.8) |
| Foreigners Institutions | 40.69% | 42.72% | (10,275,078.9) |
| **Foreigners** | **43.15%** | **47.21%** | **(20,467,586.7)** |

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

## Earnings Releases, Global Economic Data and Earnings Calendar

### Earnings Releases

| Company | Market | Currency | Revenue (mn) 4Q2020 | % Change YoY | Operating Profit (mn) 4Q2020 | % Change YoY | Net Profit (mn) 4Q2020 | % Change YoY |
|---|---|---|---|---|---|---|---|---|
| Bahrain Car Parks Company#* | Bahrain | BHD | – | – | – | – | 658.3 | -25.9% |
| Bahrain Duty Free Shop Complex* | Bahrain | BHD | 15.5 | -58.7% | 0.7 | -89.3% | 2.0 | -73.1% |
| Bahrain Ship Repairing & Eng. Co.* | Bahrain | BHD | – | – | – | – | 1.4 | -54.5% |

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands, *Financial for FY2020)

### Global Economic Data

| Date | Market | Source | Indicator | Period | Actual | Consensus | Previous |
|---|---|---|---|---|---|---|---|
| 02/24 | US | Mortgage Bankers Association | MBA Mortgage Applications | 19-Feb | -11.4% | – | -5.1% |
| 02/24 | France | INSEE National Statistics Office | Business Confidence | Feb | 90 | 92 | 91 |

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 4Q2020 results | No. of days remaining | Status |
|---|---|---|---|---|
| QFBQ | Qatar First Bank | 25-Feb-21 | 0 | Due |
| QGRI | Qatar General Insurance & Reinsurance Company | 28-Feb-21 | 3 | Due |
| QISI | Qatar Islamic Insurance Group | 28-Feb-21 | 3 | Due |
| AKHI | Al Khaleej Takaful Insurance Company | 3-Mar-21 | 6 | Due |
| WDAM | Widam Food Company | 3-Mar-21 | 6 | Due |
| MPHC | Mesaieed Petrochemical Holding Company | 4-Mar-21 | 7 | Due |
| QGMD | Qatari German Company for Medical Devices | 4-Mar-21 | 7 | Due |
| ZHCD | Zad Holding Company | 6-Mar-21 | 9 | Due |
| DBIS | Dlala Brokerage & Investment Holding Company | 8-Mar-21 | 11 | Due |
| IGRD | Investment Holding Group | 15-Mar-21 | 18 | Due |

Source: QSE

## News

### Qatar

- **S&P: ERES faces restructuring, default risk –** Ezdan Holding Group (ERES) faces the risk of debt restructuring or default as the Qatari real estate developer is yet to obtain credit-lines to meet upcoming maturities, according to S&P Global Ratings (S&P). "Despite discussing payment option plans, the company is still in the negotiation stage of securing a committed credit line to address its significant upcoming debt maturities and amortization schedule," according to the ratings agency. S&P cut ERES' rating to CCC from B- with Negative outlook. ERES' $500mn senior unsecured Sukuk matures on May 18. The property developer also has about QR900mn ($245mn) of secured debt maturing in 2021 and QR2.7bn of Sukuk and debt maturing next year, according to S&P. The ratings agency also said, "The negative outlook reflects narrowing liquidity and high debt balances, which could lead to a distressed exchange, debt restructuring, or default over the next 3-12 months. Without a committed refinancing plan or an equity contribution from its shareholder, we do not believe that ERES has sufficient cash or liquid assets on its balance sheet to repay its debt. S&P expects ERES' operating performance to improve slightly in 2021-2022, but not enough to materially reduce the very high leverage." (Bloomberg)
- **CBQK sells $500mn in AT1 bonds –** The Commercial Bank (CBQK) launched $500mn in Additional Tier 1 (AT1) bonds at 4.5% on February 24, 2021 after receiving more than $1.1bn in orders for the debt sale, a document showed. It had given initial price guidance of around 4.75% for the bonds, which are non-callable for five years. Barclays, Credit Suisse, Deutsche Bank, HSBC, JPMorgan and QNB Capital arranged the deal. AT1 bonds, the riskiest debt instruments banks can issue, are designed to be perpetual, but issuers can call them after a specified period. (Bloomberg)
- **Fitch affirms ORDS at 'A-' with Stable outlook –** Fitch Ratings (Fitch) has affirmed Ooredoo's (ORDS) Long-Term Issuer Default Rating (IDR) and senior unsecured rating at 'A-'. The rating also applies to debt issued by Ooredoo International Finance Limited under the company's GMTN program. The Outlook on the IDR is Stable. The rating is driven by the strength of Ooredoo's links with the State of Qatar (AA-/Stable). The company is rated on a top-down basis, three notches below the sovereign rating of Qatar, in line with Fitch's Government-Related Entities (GRE) Rating Criteria. ORDS's Standalone Credit Profile (SCP) is 'bbb'. This reflects a combination of factors that include a strong position in the company's domestic telecoms market, a diversified portfolio of international assets with some carrying emerging-market risk and strong underlying cash generation that enables some flexibility in managing the balance sheet. Operational and financial risks as a result of emerging- market exposure are effectively minimized and managed through a conservative financial policy and hedging. (Bloomberg)
- **VFQS' AGM endorses items on its agenda –** Vodafone Qatar (VFQS) announced the results of the AGM. The meeting was held on February 24, 2021 and the following resolution were approved. – (1) Approved the Board of Directors' report of the Company's activities and its financial position for the financial year ended December 31, 2020. (2) Approved the External Auditor's report on the Company's Accounts for the financial year ended December 31, 2020. (3) Approved the Company's Balance Sheet and the Profit and Loss Accounts for the financial year ended December 31, 2020. (4) Approved the proposal of the Board of Directors regarding the distribution of a cash dividend in the rate of 5% of the share nominal value (QR 0.05 per share) for the financial year ended December 31, 2020. (5) Discharged the members of the Board of Directors from any liability and approved their remuneration for the financial year ended December 31, 2020. (6) Reviewed and endorsed the External Auditor's reports in accordance with Article 24 of the Corporate Governance Code for Companies and Legal Entities listed on the Stock Exchange issued by the Qatar Financial Markets Authority Board Decision No.5 of 2016. (7) Approved the Company's Corporate Governance Report for the financial year ended December 31, 2020. (8) Appointed KPMG as the External Auditor of the Company for the period from January 1, 2021 to December 31, 2021 and fix their fees. (QSE)
- **ABQK's AGM and EGM endorses items on its agenda –** Ahli Bank (ABQK) announced the results of the AGM and EGM. The meeting was held on February 24, 2021 and the resolution were approved. The entire agenda has been discussed and approved wherein the General assembly heard the Board of Directors' report regarding the Bank's activities and its financial position for the year ended December 31, 2020 and discussed Bank's future plans. It also approved the profit and loss statement for the financial year ended on December 31, 2020, and approved the Board of Directors recommendation to distribute 15% cash dividends to the shareholder, among others. (QSE)
- **QNCD' AGM endorses items on its agenda and approves the distribution of 20% cash dividend –** Qatar National Cement Company (QNCD) announced the results of the Ordinary and Extraordinary General Assembly Meeting (AGM) and (EGM) was held on February 23, 2021 and has approved the following resolutions: (1) Approval of the Board of Directors report for the year 2020, and future plans for the year 2021. (2) Approval of the auditors 'report on the company's Financial Statements for the year ended December 31, 2020. (3) Approval of the Financial Statements for the year 2020. (4) Approval of the distribution of 20% of the share capital as cash dividends to shareholders for the year 2020, at a rate of 20 dirhams for each valid share. (5) Approval of the Corporate Governance Report for the year 2020. (6) Discharging the members of the Board of Directors from their responsibilities in the year 2020, and approving their remuneration proposal. (7) Reassignment of M/s. Talal Abu-Ghazaleh & Co. to audit the company's accounts for the year 2021. (QSE)
- **QNCD plans to rationalize production costs to boost balance sheet and enhance rewards to shareholders –** Qatar National Cement Company (QNCD) has decided to rationalize production costs, especially in the consumption of gas, electricity and consumables, this year as part of efforts to strengthen its balance sheet and enhance rewards to the shareholders. The board of directors' plan for 2021 includes measures to follow up the implementation of the waste burning project with the Ministry of Municipality and Environment, aiming to start

operating the project as soon as possible. These, among other steps, were discussed at the company's annual ordinary and extraordinary general assembly meeting, presided over by its Chairman Salem bin Butti Al-Naimi. The meeting received shareholders' approval for distributing 20% cash dividends for 2020, at a rate of 20 dirhams for each valid share. The Chairman informed the shareholders that despite the adverse effect of the worldwide spread of the coronavirus since March 2020, the company was able to cover the market demand for all types of cement, washed sand and calcium carbonate at high-quality standards, and at a reasonable price for all products. The cement major was able to maintain the realization of energy consumption and reduce other costs, by stopping operations at cement plants (4) and (5) since the beginning of April 2020, according to Al-Naimi. The company's production in both categories of cement OPC (ordinary Portland) and SRC (sulphur resistant) reached 1.98mn tons during year 2020 compared to 2.2mn tons the previous year. (Gulf-Times.com)

- **MRDS announces the termination of contract with Al-Bandary Real Estate Company –** Mazaya Real Estate Development Company (MRDS) announced the termination of the contract with Al-Bandari Real Estate Company (Contractor) at the Marina Plaza project in Lusail City, as the contractor withdrew from the project due to some technical reasons and their inability to provide the necessary guarantees to complete the work on the project. (QSE)
- **Cabinet approves draft law on health services –** The Cabinet has approved a draft law on healthcare services that mandates all residents and visitors to the country to obtain health insurance to receive basic healthcare services. The Cabinet, chaired by Prime Minister and Minister of Interior HE Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani on Wednesday, referred the draft law to the Shura Council. (Qatar Tribune)
- **Despite COVID-19, private sector exports almost hit QR15bn in 2020 –** Private sector exports from Qatar in 2020 amounted to QR14.9bn, the latest edition of a Qatar Chamber's Economic Newsletter has said. This, however, is a decline of 30% from QR21.6bn recorded during the previous year, the newsletter said, attributing the fall to the COVID-19 pandemic, which has cast shadows on global trade. Meanwhile, the report added, Qatar saw exports worth QR17.7bn and imports worth QR8.5bn in December 2020, leading to a trade surplus of QR8.6bn. While exports jumped 3% and imports 13.3% MoM, the surplus in December showed a decline of 5.5% from QR9.1bn recorded in November, the newsletter said, citing figures from the Planning and Statistics Authority. In December 2020, China was at the top of the countries of destination of Qatar's foreign trade with about QR4.1bn, a share of 16% of the state's total foreign trade. The report also featured the trade of private sector during December 2020 according to the certificate of origin issued by the Chamber which exceeded QR1.333bn, showing a MoM increase of 13.4% compared to QR1.175bn in November. This rise in private sector's exports is attributed to the sharp increase of 286% in exports through the Unified GCC Model certificate of origin which increased from QR99mn to QR382mn. Exports through Unified GCC to Singapore model also recorded an increase of 13.3%, while exports through the General Model certificate of origin and exports through the Unified Arab Model decreased by 12.9% and 14% respectively. Exports through GSP Model maintained the same level registered in November. Data of the private sector's exports indicated the ability of the private sector and the Qatari economy in general to overcome the repercussions of the COVID-19 pandemic and return to levels before the crisis. In December, the exports of private sector increased by 133% compared to April, the lowest month of the year, while it decreased by 31% compared to February which is the highest month of the year. (Qatar Tribune)
- **Real estate deals cross QR468mn during February 14-18 –** Qatar saw real estate transactions worth QR468.347mn between February 14 and 18, Ministry of Justice's Real Estate Registration Department has said. The types of real estate traded included plots of land, houses, residential buildings, multi-use buildings, and a residential complex. Most of the trading took place in the municipalities of Al Rayyan, Al Da'ayen, Umm Salal, Doha, Al Shamal, Al Khor, Al Dhakira, and Al Wakrah. (Qatar Tribune)
- **Qatar aims to vaccinate 90% of eligible population by year-end, says Dr. Al Khal –** Qatar aims to vaccinate at least 90% of the eligible population by the end of the year and has taken several initiatives to boost the national COVID-19 vaccination campaign, said a senior official, yesterday. "We aim to cover about 90 percent of the eligible population before the end of the year; we have to vaccinate more than 100,000 people a week," said Chair of the National Health Strategic Group on COVID-19 and Head of Infectious Diseases at Hamad Medical Corporation Dr. Abdullatif Al Khal. He said that this will be implemented while taking effective public health measures, like screening and isolating people suspected to have or exposed to COVID-19. (Peninsula Qatar)
- **GECF: Qatar, Iran to drive Middle East gas production to 1,150bcm by 2050 –** Driven by Qatar and Iran, the Middle East gas production is expected to rise to 1,150bcm by 2050, Gas Exporting Countries Forum said. The two main contributors to natural gas production in the region are Iran and Qatar, with 50% and 30% respectively of total growth, GECF said while launching its Global Gas Outlook 2050's fifth edition. Europe, on the other hand, has been seeing declining gas production in the last ten years. This downward trend is expected to continue over the Outlook period with production falling from over 200bcm in 2019 to around 70bcm in 2050. Cyprus is the only European country to see a growth in production by over 10bcm over the forecast period, it said. In Asia-Pacific, only China, Australia and India are expected to significantly expand production. China is expected to account for more than 85% of the growth of gas production in the region, particularly on account of its potential to produce gas from unconventional resources. Total Chinese gas production is expected to reach 370bcm by 2050, of which 72% will be unconventional gas. Total Asia-Pacific production growth to 2050 is forecast to be 224bcm, of which only net growth of 20bcm is outside China. Australia is expected to grow production by 50bcm to reach almost 200bcm by 2050. In North America, all three countries in the region (the US, Canada and Mexico) are expected to increase their production, with much of the growth being driven by new LNG export projects and new pipeline infrastructure. Total production is expected to grow by 560bcm

to reach 1,670bcm by 2050. Gas production in Eurasia is expected to increase by almost 40%, amounting to just under 1,300bcm by 2050. Russia and Turkmenistan will source more than 78% and 17% of this expansion, respectively. The impact of Covid-19 in 2020 is estimated to have led to around a 7% reduction in global energy-related CO2 emissions. This decline will be short-lived with a rebound in 2021 and 2022 as energy demand recovers. (Gulf-Times.com)

- **GECF: Asia with 71% of global LNG imports to remain largest regional market –** The gas market will progressively become more interconnected and less regionalized due to the projected extension of total gas exports; GECF said and noted the Asian LNG market, with 71% of global LNG imports, will remain the largest regional market. The share of traded LNG will increase to approximately 48% of all traded gas in 2030 and 56% in 2050, respectively, Gas Exporting Countries Forum (GECF) said in its Global Gas Outlook 2050's fifth edition. Liquefied natural gas (LNG) regasification from existing, under construction, potential, proposed, stalled and speculative projects is expected to be around 1,398mn tons per year (mtpy) including 896.1mtpy in Asia, and 201.5mtpy regasification projects in Europe. It is projected that the Asian LNG market, with 71% of global LNG imports, will remain the largest regional market. Japan, China, South Korea and India will account for 70% of Asia's regasification capacity. Consequently, these four countries will be the largest LNG markets in the world. The 1,240 mtpy of liquefaction capacity projects will be higher than the expected LNG demand of around 820 mtpy and consequently, LNG markets remain well supplied throughout the forecast period. It is projected that over the outlook period, 1,990bcm out of around 5,920bcm global natural gas demand will be imported, including 1,105bcm from GECF Member Countries. Thus, more than half of the global gas trade originates from the current GECF Members. By assuming the same member composition of the GECF, it is estimated that the market share of the current GECF Member Countries will be around 56% by 2050. With the Covid-19 pandemic and uncertainties surrounding future energy prices and demand, the slowdown of existing and impending investment projects is not surprising. As a result, Foreign Direct Investment (FDI) inflows are expected to continue declining below the pre pandemic level through 2022. Total gas investment (including upstream and midstream activities) between 2020 and 2050 will reach a cumulative $10tn. Most of this amount includes upstream activities; trade infrastructure (such as liquefaction plants, pipeline strings and regasification plants) will require an additional cumulative $708bn investment, with more than half going to liquefaction projects. Most of this investment will be focused in Africa, non-OECD Asia, and Eurasia, GECF noted. (Gulf-Times.com)
- **GECF: 30-year total investment in gas to reach $10tn by 2050 –** Global natural gas production is forecast to grow by around 1,900bcm to reach more than 5,900bcm by 2050, Doha based GECF said yesterday. Total investment in gas (including upstream and midstream activities) between 2020 and 2050 will reach a cumulative $10tn, the Gas Exporting Countries Forum said, unveiling its 2020 edition of the 'Global Gas Outlook 2050' yesterday. The GECF said in Asia-Pacific, only China, Australia and India are expected to significantly expand production. Total Asia-Pacific production growth to 2050 is forecast to be 224 bcm, it said. In North America, all three countries (the US, Canada and Mexico) are expected to increase their production. Total production is expected to grow by 560bcm to reach 1,670bcm by 2050. Gas production in Eurasia is expected to increase by almost 40%, amounting to just under 1,300bcm by 2050. According to the GECF, the Middle East gas production is expected to rise to 1,150bcm by 2050. Europe's downward trend is expected to continue with production falling from over 200bcm in 2019 to around 70bcm in 2050. Africa will grow from 250bcm (6.4% of global production) in 2019 to around 600bcm (just over 10% of global supply) by 2050. Natural gas production in Latin America is expected to increase by over 110bcm to reach 280bcm by 2050. The 'Global Gas Outlook 2050' revealed that energy transition is underway and natural gas together with renewables will gain in importance and will be the major contributors to incremental growth in global energy demand, together accounting for more than 90% of the additional 3,520mn tons oil equivalent (Mtoe) through to 2050. The Forum said natural gas and renewables will make up 60% of the electricity supply, changing the global power generation mix by 2050. Natural gas, it said, will overtake coal in 2025 and become the largest global primary energy source by 2047, with oil plateauing around 2040 and then beginning its irreversible decline. (Gulf-Times.com)

**International**

- **IMF chief urges G20 action to reverse global economy's 'dangerous divergence' –** Group of 20 countries should take strong policy actions to reverse a "dangerous divergence" that threatens to leave most developing economies languishing for years, the head of the International Monetary Fund (IMF) said in a blog. IMF Managing Director Kristalina Georgieva said "much stronger international collaboration" was needed to accelerate the rollout of COVID-19 vaccines in poorer countries, including additional funding to help them buy doses and reallocation of excess vaccines from surplus to deficit countries. The IMF recently projected global GDP growth at 5.5% this year and 4.2% in 2022, but Georgieva warned that the outlook remained uncertain, citing concerns about different strains of the virus and the slow rollout of vaccines across most of the world. By the end of 2022, the IMF estimates that cumulative per capita income will be 22% below pre-crisis projections in emerging and developing countries, excluding China, compared to 13% in advanced economies and 18% in low-income countries. The IMF is also seeing an accelerated divergence within countries, with job losses hitting the young, the low-skilled, women and informal workers disproportionately hard, and millions of children facing disruptions to education. Ending the pandemic faster would add $9 trillion to the global economy by 2025, with some $4tn going to advanced economies, beating "by far" any vaccine-related costs, she said. In addition to moves to accelerate vaccinations, Georgieva said vaccine production capacity should be significantly scaled up for 2022 and beyond, and policymakers should consider insuring vaccine makers against the risks of overproduction. She called for continued, targeted fiscal support by G20 governments to support economies, and said central banks should maintain accommodative monetary and financial policies to support flow of credit to households and firms. But she warned that continued monetary policy support had raised "legitimate concerns around unintended consequences, including excessive risk-taking and market exuberance." (Reuters)

- **NRF: US retail sales in 2021 expected to jump on vaccine, stimulus in positive sign for economy –** US retail sales could rise as much as 8.2% to more than $4.33tn this year as more people get the COVID-19 vaccine and the economy reopens, the National Retail Federation (NRF) said on Wednesday. The economy is expected to see its fastest growth in over two decades as the rollout of the vaccine to consumers should permit accelerated growth during the mid-year, the trade group said. NRF expects the overall economy to gain between 220,000 and 300,000 jobs per month in 2021. "We are very optimistic that healthy consumer fundamentals, pent-up demand and widespread distribution of the vaccine will generate increased economic growth, retail sales and consumer spending," NRF Chief Executive Matthew Shay said in a statement.(bit.ly/3kiGzRI) Preliminary results show retail sales for 2020 grew 6.7% to $4.06tn, above the trade body's forecast of at least 3.5% growth, NRF said. The retail sales numbers exclude automobile dealers, gasoline stations and restaurants. US retail sales are expected to rise between 6.5% and 8.2% in 2021, the NRF said. Deemed "essential, Walmart and rivals Target and Best Buy were permitted to stay open throughout the pandemic, unlike others, including Macy's. The US department store chain said while reporting company earnings on Tuesday that it has invested tremendously in its online business, as virus-wary shoppers have opted to stay home to make their purchases rather than leisurely shop in-store. (Reuters)
- **Financial firms raise US GDP growth estimates on stimulus bets –** Several major financial firms have upped their forecasts for US economic growth based on expectations that President Joe Biden's proposed $1.9tn COVID-19 relief bill will come to fruition and bolster the recovery from pandemic-related shutdowns. Biden's package, on top of a nearly $900bn stimulus bill passed in December, is expected to encourage American consumers, who account for nearly 70% of US economic growth, to loosen their purse strings and release a torrent of pent-up demand as coronavirus vaccines are deployed and restrictions lifted. HSBC Holdings, Europe's largest bank, raised its estimated full-year 2021 GDP growth forecast by 1.5 percentage points to 5%, citing the expected revival in consumer spending. It increased its 2022 growth call to 3.0% from 2.5%. It also cited the US housing boom's impact on residential construction. Deutsche Bank increased its GDP growth forecasts for 2021 and 2022 as well, assuming the final fiscal aid package will be worth $1.6tn to $1.7tn. "Their inflation numbers pushed a bit higher too with risks on the upside," wrote Jim Reid, a strategist at the bank. (Reuters)
- **Fed's Brainard says US economy far from employment, inflation goals –** The US economy remains far from the Federal Reserve's goals for employment and inflation and monetary policy will continue to provide support until further progress has been made in boosting inflation and improving the labor market for all workers, Fed Governor Lael Brainard said on Wednesday. "Today the economy remains far from our goals in terms of both employment and inflation, and it will take some time to achieve substantial further progress," she said during a virtual guest lecture at Harvard University. In a comprehensive speech that laid out the history of the Fed's dual mandate and how the central bank's assessment of those goals has evolved, Brainard said policymakers are looking beyond the headline unemployment rate when assessing the health of the labor market, which is recovering unevenly from the pandemic. Under a new framework announced last August, Fed officials will no longer raise interest rates when the unemployment rate is low in anticipation of higher inflation, allowing more time for the labor market to heal. Brainard recalled hearing from community leaders across the country during the central bank's Fed Listens events prior to the pandemic who saw double-digit unemployment rates in their localities even while the national unemployment rate was at a multi-decade low. "Community and labor representatives and educators noted 'it's always a recession' in their communities," Brainard said. The Fed official said the bank's previous approach may have hurt some workers by cutting off growth before they could feel the benefits of the strong economy. Policymakers will look at wages, the employment-to- population ratio and the labor force participation rate, among other indicators, when assessing the labor market, Brainard said. Fed officials will also plan to keep support in place until average inflation is above 2% and on track to moderately exceed 2% for "some time," she said. (Reuters)
- **US new home sales blow past expectations in January –** Sales of new US single-family homes increased more than expected in January, boosted by historically low mortgage rates and an acute shortage of previously owned houses on the market. The report from the Commerce Department on Wednesday suggested the housing market would continue to underpin the economy's recovery from the COVID-19 recession. Momentum could, however, ebb in the near term after winter storms wreaked havoc this month in Texas and large parts of the South region. Higher house prices because of the tight inventory resulting from lack of land and very expensive lumber could push homeownership out of the reach of many first-time buyers. New home sales rose 4.3% to a seasonally adjusted annual rate of 923,000 units last month. December's sales pace was revised higher to 885,000 units from the previously reported 842,000 units. Economists polled by Reuters had forecast new home sales, which account for 12.1% of US home sales, climbing 2.1% to a rate of 855,000 units in January. (Reuters)
- **UK will resist 'dubious' EU pressure on banks, says BoE's Bailey –** Britain will resist "very firmly" any European Union attempts to arm-twist banks into shifting trillions of Euros in derivatives clearing from Britain to the bloc after Brexit, Bank of England Governor Andrew Bailey said on Wednesday. Europe's top banks have been asked by the European Commission to justify why they should not have to shift clearing of Euro-denominated derivatives from London to the EU, a document seen by Reuters on Tuesday showed. Britain's financial services industry, which contributes over 10% of the country's taxes, has been largely cut off from the EU since a Brexit transition period ended on Dec. 31 as the sector is not covered by the UK-EU trade deal. Trading in EU shares and derivatives has already left Britain for the continent. The EU is now targeting clearing which is dominated by the London Stock Exchange's LCH arm

to reduce the bloc's reliance on the City of London financial hub, over which EU rules and supervision no longer apply. "It would be very controversial in my view, because legislating extra-territorially is controversial anyway and obviously of dubious legality, frankly, ..." Bailey told lawmakers in Britain's parliament on Wednesday. The European Commission said it had no comment at this stage. (Reuters)

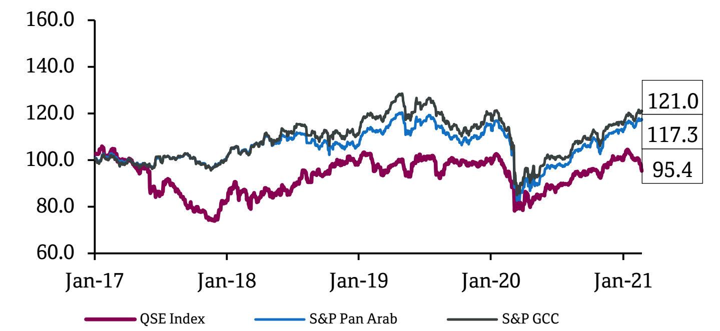
- **CBI: UK services firms split on outlook as lockdown weighs –** British business and professional services firms have reported the biggest improvement in their outlook in more than five years but consumer services firms - harder hit by the coronavirus lockdown - remain downbeat, a survey showed on Thursday. The Confederation of British Industry (CBI) said its measure of sentiment among business and professional services firms - such as property management and logistics firms - leapt to +23% in the three months to February from -21% in the previous three months, the strongest rise since August 2015. While business volumes for those firms continued to fall steadily, expectations for volumes in the coming quarter were the strongest in a year. The swift rollout of Britain's COVID-19 vaccination program has raised hopes of a bounce-back in the economy after its worst slump in 300 years in 2020. Consumer-facing services firms - including hotels and restaurants and travel businesses - saw a deeper slump in business in the past three months but the pace of decline was set to ease slightly in the coming quarter, the CBI said. Prime Minister Boris Johnson said this week he did not plan to fully lift England's current lockdown before late June. (Reuters)
- **German economy grew by better-than-expected 0.3% in 4Q –** The German economy grew by a stronger-than-expected 0.3% in the final quarter of last year, helped by bullish exports and solid construction activity, the Federal Statistics Office said on Wednesday in a revision to an earlier estimate. The office, which previously had reported a 0.1% expansion on the quarter from October to December, said it also revised upward its 2020 full-year GDP figure to -4.9% from -5.0%. (Reuters)

**Regional**

- **OPEC+ to weigh modest oil output boost at meeting –** OPEC+ oil producers will discuss a modest easing of oil supply curbs from April given a recovery in prices, OPEC+ sources said, although some suggest holding steady for now given the risk of new setbacks in the battle against the pandemic. The Organization of the Petroleum Exporting Countries and allies, known as OPEC+, cut output by a record 9.7mn bpd last year as demand collapsed due to the pandemic. As of February, it is still withholding 7.125mn bpd, about 7% of world demand. In January OPEC+ slowed the pace of a planned output increase to match weaker-than-expected demand due to continued coronavirus lockdowns. Saudi Arabia made extra voluntary cuts for February and March. Three OPEC+ sources said an output increase of 500,000 bpd from April looked possible without building up inventories, although updated supply and demand balances that ministers will consider at their March 4 meeting will determine their decision. (Reuters)
- **OPEC delays international seminar from June 2021 to 2022 –** Industry gathering of national producers and company executives delayed by OPEC a year to June 29-30, 2022, because of the coronavirus pandemic, OPEC said. (Bloomberg)
- **Saudi Arabia's PIF launches $3bn tourism, infrastructure venture –** Saudi Arabia's Public Investment Fund (PIF) launched a new venture that will invest $3bn in developing tourism and infrastructure in the southwestern Asir region, the state news agency SPA reported on Wednesday. The Kingdom, which opened its doors in September 2019 to foreign tourists by launching a new visa regime for 49 countries, hopes to diversify its oil-dependent economy through tourism and wants the sector to contribute 10% of gross domestic product by 2030. Crown Prince, Mohammed bin Salman has long pushed the PIF as a central plank in his plan to find ways of driving growth while weaning the economy off its dependence on oil. Crude exports still account for more than half the kingdom's income. The Soudah Development Company (SDC) will develop Soudah, a mountainous area located 3,015 metres (9,892 ft) above sea level, and the ancient village of Rijal Alma', into a tourist destination for residents and visitors. It aims to contribute an estimated $8bn to the Kingdom's cumulative gross domestic product (GDP) by 2030. (Reuters)
- **Saudi raises EUR1.5bn from International Sukuk offering –** Saudi Arabia has raised EUR1.5bn from its second international Sukuk offering, finance ministry said in a statement. (Bloomberg)
- **Saudi oil export value falls nearly 30% in December –** The value of Saudi Arabia's oil exports in December dropped nearly 30%, or SR19.5bn, compared with the year before, official data showed on Wednesday. The value of non-oil exports fell 7.7% in December to SR18.4bn versus SR20bn in December 2019. Oil's share of total exports fell to 71.6% in December from 76.7% the year previously. China remained Saudi Arabia's main trading partner in December, accounting for SR13.5bn out of its SR64.8bn of total exports. In December 2019, the Kingdom's total exports value was SR85.8bn. Japan and India were Saudi Arabia's next biggest export markets, with SR7.5bn and SR6.3bn worth, respectively. The value of China's imports was SR9bn in December. The US and UAE followed, with SR5.2bn and SR3.1bn, respectively. The value of imports in December was down 12% from a year earlier, or SR6.1bn, due to a drop in vehicle imports and associated transport equipment by nearly a quarter and an almost one-fifth fall in products of chemical or allied industries. (Reuters)
- **Saudi imports from Turkey tumble in December after informal boycott –** The value of Saudi Arabia's imports from Turkey in December dropped to their lowest level in at least a year, Saudi official data showed on Wednesday, on the back of an informal boycott by Saudi businessmen and retailers of Turkish products. (Reuters)
- **SABB's reports net loss of SR4,168mn in FY2020 –** The Saudi British Bank (SABB) recorded net loss of SR4,168mn in FY2020. Total operating profit fell 3.6% YoY to SR8,878mn in FY2020. Total income from Special Commissions/Financing & Investments fell 10.7% YoY to SR7,812mn in FY2020. Total assets stood at SR276.5bn at the end of December 31, 2020 as compared to SR266.0bn at the end of December 31, 2019. Loans and advances stood at SR153.2bn (+0.8% YoY), while clients' deposits stood at SR189.1bn (-1.6% YoY) at the end of December 31, 2020. Loss per share came in at SR2.01 in FY2020 as compared to EPS of SR1.53 in FY2019. (Tadawul)

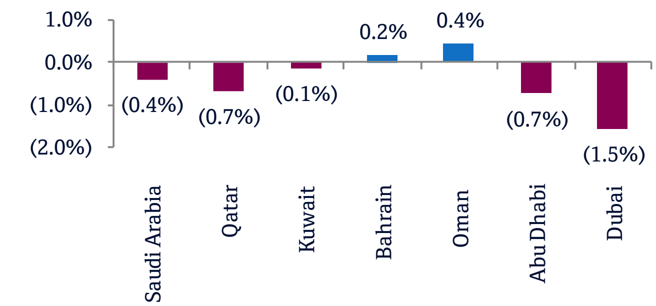
- **Dubai's main bourse reinstates 10% limit down cap from next week –** The limit down for shares trading in the Dubai Financial Market will be reinstated at 10% starting February 28, the exchange said in a statement. The cap was temporarily decreased to 5% in March 2020 as part of measures to contain fluctuation due to the pandemic, the bourse said. (Bloomberg)
- **Dubai's Majid Al Futtaim to push ahead with store openings despite income fall –** Dubai's mall developer Majid Al Futtaim (MAF) said it plans to continue its expansion in the region and other markets with a slew of new store and cinema openings. The company, which develops shopping malls across the Middle East, reported on Wednesday that its revenue fell 7% to AED32.6bn, while earnings before interest, tax, depreciation and amortization (EBITDA) also dipped 19% to AED3.8bn in 2020. The company's assets decreased six percent to approximately AED59.1bn. Despite the decline, Majid Al Futtaim Chief Executive Officer, Alain Bejjani said last year's performance reflected the resilience of their workforce, business model and diverse portfolio, as well as their operational agility, proactive investments and prudent financial risk management. "The fact that we have experienced growth in some of our businesses during a year of unprecedented disruption is a testament to the importance that should always be placed on people, the planet and our collective progress. For me, this is stakeholder capitalism in action, and it makes me optimistic about our future," Bejjani said. (Zawya)
- **Abu Dhabi Murban Crude futures to start with June contract –** The first futures for Abu Dhabi's flagship Murban grade of crude oil will have a June delivery date, said Intercontinental Exchange, which plans to start trading the contracts next month. Abu Dhabi National Oil Co. will begin setting the official selling price for Murban crude based on the exchange-determined level, starting with barrels for June shipment. (Bloomberg)
- **Central Bank of Kuwait says stress tests show 'good flexibility' –** Central Bank of Kuwait (CBK) Governor, Mohammad Al-Hashel says stress tests showed local lenders maintaining an average capital adequacy of 11.4% at the end of 2023, according to statement. Tests based on three scenarios, including a global crisis with second coronavirus outbreak. Too early to say crisis over, must remain cautious. Central bank will continue boosting monetary and financial stability, urges government to reform. As long as oil reliance continues absent of measures to boost non-oil revenues, state budget will remain in cumulative deficit. (Bloomberg)
- **Bahrain sells BHD35mn 182-day bills; bid-cover at 5.12x –** Bahrain sold BHD35mn of 182-day bills due on August 29, 2021. Investors offered to buy 5.12 times the amount of securities sold. The bills were sold at a price of 99.152, have a yield of 1.69% and will settle on February 28, 2021. (Bloomberg)

## Rebased Performance




Source: Bloomberg

## Daily Index Performance




Source: Bloomberg

| Asset/Currency Performance | Close ($) | 1D% | WTD% | YTD% |
|---|---|---|---|---|
| Gold/Ounce | 1,805.06 | (0.0) | 1.2 | (4.9) |
| Silver/Ounce | 27.95 | 1.0 | 2.4 | 5.9 |
| Crude Oil (Brent)/Barrel (FM Future) | 67.04 | 2.6 | 6.6 | 29.4 |
| Crude Oil (WTI)/Barrel (FM Future) | 63.22 | 2.5 | 6.7 | 30.3 |
| Natural Gas (Henry Hub)/MMBtu | 2.74 | (2.3) | (44.1) | 14.6 |
| LPG Propane (Arab Gulf)/Ton | 98.00 | 2.1 | 2.1 | 30.2 |
| LPG Butane (Arab Gulf)/Ton | 100.00 | 9.0 | 2.0 | 33.3 |
| Euro | 1.22 | 0.1 | 0.4 | (0.4) |
| Yen | 105.87 | 0.6 | 0.4 | 2.5 |
| GBP | 1.41 | 0.2 | 0.9 | 3.4 |
| CHF | 1.10 | (0.1) | (1.1) | (2.4) |
| AUD | 0.80 | 0.7 | 1.3 | 3.6 |
| USD Index | 90.18 | 0.0 | (0.2) | 0.3 |
| RUB | 73.53 | (1.0) | (0.8) | (1.2) |
| BRL | 0.18 | 0.5 | (0.5) | (4.0) |

Source: Bloomberg

| Global Indices Performance | Close | 1D%* | WTD%* | YTD%* |
|---|---|---|---|---|
| MSCI World Index | 2,802.40 | 0.5 | (0.1) | 4.2 |
| DJ Industrial | 31,961.86 | 1.3 | 1.5 | 4.4 |
| S&P 500 | 3,925.43 | 1.1 | 0.5 | 4.5 |
| NASDAQ 100 | 13,597.97 | 1.0 | (2.0) | 5.5 |
| STOXX 600 | 413.21 | 0.4 | (0.3) | 2.9 |
| DAX | 13,976.00 | 0.8 | 0.0 | 0.7 |
| FTSE 100 | 6,658.97 | 0.6 | 1.1 | 6.5 |
| CAC 40 | 5,797.98 | 0.3 | 0.5 | 3.7 |
| Nikkei | 29,671.70 | (2.4) | (1.6) | 5.4 |
| MSCI EM | 1,376.76 | (1.5) | (3.7) | 6.6 |
| SHANGHAI SE Composite | 3,564.08 | (1.8) | (3.6) | 3.7 |
| HANG SENG | 29,718.24 | (3.0) | (3.0) | 9.1 |
| BSE SENSEX | 50,781.69 | 2.2 | 0.2 | 7.3 |
| Bovespa | 115,667.80 | 0.8 | (2.7) | (7.3) |
| RTS | 1,445.91 | (0.6) | (1.8) | 4.2 |

Source: Bloomberg (*$ adjusted returns)

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