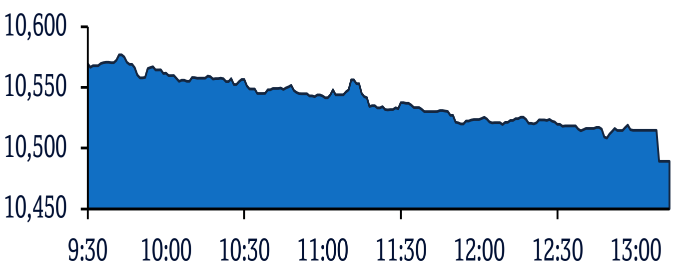
QNB FINANCIAL SERVICES

Daily Market Report

Tuesday, 28 January 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.9% to close at 10,489.2. Losses were led by the Real Estate and Industrials indices, falling 1.4% and 1.1%, respectively. Top losers were Doha Insurance Group and Gulf International Services, falling 2.8% and 2.5%, respectively. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 3.8%, while Alijarah Holding was up 2.7%.

GCC Commentary

Saudi Arabia: The TASI Index fell 1.8% to close at 8,178.5. Losses were led by the Banks and Capital Goods indices, falling 2.6% and 2.0%, respectively. Al Sorayai Trading and Ind. declined 9.6%, while United Coop. Assurance was down 6.4%.

Dubai: The DFM Index fell 1.2% to close at 2,788.8. The Investment & Financial Services and Insurance indices declined 1.7% each. Gulfa Mineral Water & Processing Ind. Co. declined 10.0%, while Arabtec Holding Co. was down 9.7%.

Abu Dhabi: The ADX General Index fell 1.2% to close at 5,167.2. The Energy index declined 1.9%, while the Banks index fell 1.5%. Invest Bank declined 10.0%, while Abu Dhabi National Energy Co. was down 4.0%.

Kuwait: The Kuwait All Share Index fell 0.8% to close at 6,282.8. The Basic Materials index declined 1.1%, while the Banks index fell 1.0%. Amar Finance & Leasing Co. declined 18.9%, while National Shooting Company was down 12.4%.

Oman: The MSM 30 Index fell 0.3% to close at 4,070.9. Losses were led by the Financial and Industrial indices, falling 0.3% and 0.2%, respectively. Dhofar Cattle Feed Co. declined 10.0%, while Oman & Emirates Inv. holding was down 4.6%.

Bahrain: The BHB Index fell 0.1% to close at 1,646.9. The Commercial Banks index declined 0.3%, while the other indices ended flat or in green. Khaleeji Commercial Bank declined 2.6%, while Ahli United Bank was down 0.5%.

Market Indicators	27 Jan 20	26 Jan 20	%Chg.
Value Traded (QR mn)	133.5	111.7	19.5
Exch. Market Cap. (QR mn)	582,401.4	587,130.0	(0.8)
Volume (mn)	60.3	54.4	10.9
Number of Transactions	2,998	2,595	15.5
Companies Traded	45	46	(2.2)
Market Breadth	8:35	14:25	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,300.96	(0.9)	(1.3)	0.6	15.2
All Share Index	3,113.13	(0.8)	(1.2)	0.4	15.7
Banks	4,299.78	(0.9)	(1.2)	1.9	15.0
Industrials	2,842.79	(1.1)	(1.8)	(3.0)	20.0
Transportation	2,547.52	(0.2)	(0.8)	(0.3)	13.3
Real Estate	1,573.72	(1.4)	(2.0)	0.6	11.7
Insurance	2,753.65	(0.6)	0.0	0.7	15.8
Telecoms	892.18	(0.7)	(1.0)	(0.3)	15.2
Consumer	8,587.55	(0.4)	(0.6)	(0.7)	19.0
Al Rayan Islamic Index	3,943.90	(0.9)	(1.3)	(0.2)	16.5

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Ominvest	Oman	0.34	1.8	80.2	0.0
Ahli Bank	Oman	0.14	1.4	59.8	7.7
GFH Financial Group	Dubai	0.83	0.4	9,955.3	(0.8)
Dar Al Arkan Real Estate	Saudi Arabia	9.73	0.3	21,120.3	(11.5)
Aluminium Bahrain	Bahrain	0.45	0.0	324.6	7.7

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi British Bank	Saudi Arabia	32.35	(5.5)	466.4	(6.8)
Riyad Bank	Saudi Arabia	23.20	(4.1)	3,737.6	(3.3)
Co. for Cooperative Ins.	Saudi Arabia	75.00	(4.1)	284.2	(2.2)
Banque Saudi Fransi	Saudi Arabia	36.70	(3.9)	799.7	(3.2)
Etihad Etisalat Co.	Saudi Arabia	25.85	(3.5)	1,938.4	3.4

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%
Qatar General Ins. & Reins. Co.	2.70	3.8	84.0	9.8
Alijarah Holding	0.77	2.7	3,539.0	8.5
Ahli Bank	3.55	1.4	64.0	1.4
Islamic Holding Group	1.90	1.1	584.1	0.0
Qatari German Co for Med. Devices	0.59	0.9	1,984.0	1.9

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Doha Insurance Group	1.06	(2.8)	40.0	(11.7)
Gulf International Services	1.55	(2.5)	1,302.1	(9.9)
Qatari Investors Group	1.84	(2.1)	398.2	2.8
The Commercial Bank	4.84	(2.0)	503.4	3.0
United Development Company	1.51	(1.9)	3,803.7	(0.7)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Mazaya Qatar Real Estate Dev.	0.77	(1.0)	7,216.9	7.4
Ezdan Holding Group	0.63	(0.2)	5,920.6	2.6
Qatar First Bank	0.99	(0.6)	4,728.3	20.7
Qatar Oman Investment Company	0.58	0.3	3,967.2	(13.0)
United Development Company	1.51	(1.9)	3,803.7	(0.7)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	20.50	(1.0)	20,707.1	(0.4)
Qatar National Cement Company	5.39	(0.7)	12,795.3	(4.6)
Qatar Islamic Bank	16.52	(0.4)	11,821.8	7.8
Masraf Al Rayan	4.12	(0.5)	7,017.6	4.0
United Development Company	1.51	(1.9)	5,727.4	(0.7)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,489.17	(0.9)	(1.3)	0.6	0.6	36.47	158,937.3	15.2	1.5	4.1
Dubai	2,788.80	(1.2)	(1.7)	0.9	0.9	53.49	104,000.9	13.4	1.0	4.2
Abu Dhabi	5,167.24	(1.2)	(1.5)	1.8	1.8	106.09	145,880.7	16.1	1.4	4.8
Saudi Arabia	8,178.47	(1.8)	(2.5)	(2.5)	(2.5)	1,026.72	2,333,260.1	22.2	1.8	3.3
Kuwait	6,282.76	(0.8)	(1.4)	0.0	0.0	150.97	117,583.3	15.6	1.5	3.4
Oman	4,070.88	(0.3)	0.0	2.3	2.3	3.90	17,395.2	7.3	0.7	7.3
Bahrain	1,646.85	(0.1)	(0.4)	2.3	2.3	3.13	25,823.6	13.1	1.0	4.7

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 0.9% to close at 10,489.2. The Real Estate and Industrials indices led the losses. The index fell on the back of selling pressure from non-Qatari shareholders despite buying support from Qatari and GCC shareholders.
- Doha Insurance Group and Gulf International Services were the top losers, falling 2.8% and 2.5%, respectively. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 3.8%, while Alijarah Holding was up 2.7%.
- Volume of shares traded on Monday rose by 10.9% to 60.3mn from 54.4mn on Sunday. However, as compared to the 30-day moving average of 79.9mn, volume for the day was 24.5% lower. Mazaya Qatar Real Estate Development and Ezdan Holding Group were the most active stocks, contributing 12.0% and 9.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	38.02%	32.25%	7,701,439.48
Qatari Institutions	37.59%	32.55%	6,738,849.38
Qatari	**75.61%**	**64.80%**	**14,440,288.86**
GCC Individuals	1.68%	0.67%	1,355,276.93
GCC Institutions	2.06%	0.55%	2,014,163.43
GCC	**3.74%**	**1.22%**	**3,369,440.36**
Non-Qatari Individuals	9.89%	9.71%	235,552.03
Non-Qatari Institutions	10.75%	24.27%	(18,045,281.26)
Non-Qatari	**20.64%**	**33.98%**	**(17,809,729.23)**

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

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/27	US	U.S. Census Bureau	New Home Sales	Dec	694k	730k	697k
01/27	US	U.S. Census Bureau	New Home Sales MoM	Dec	-0.4%	1.5%	-1.1%
01/27	UK	British Bankers' Association	UK Finance Loans for Housing	Dec	46,815	44,000	44,058
01/27	Germany	IFO Institute - Institut fuer	IFO Business Climate	Jan	95.9	97.0	96.3
01/27	Germany	IFO Institute - Institut fuer	IFO Expectations	Jan	92.9	94.8	93.9
01/27	Germany	IFO Institute - Institut fuer	IFO Current Assessment	Jan	99.1	99.1	98.8
01/27	France	French Labor Office	Total Jobseekers	4Q2019	3,308.8k	–	3,364.5k

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2019 results	No. of days remaining	Status
QIIK	Qatar International Islamic Bank	28-Jan-20	0	Due
QFLS	Qatar Fuel Company	29-Jan-20	1	Due
CBQK	The Commercial Bank	29-Jan-20	1	Due
IHGS	Islamic Holding Group	29-Jan-20	1	Due
NLCS	Alijarah Holding	30-Jan-20	2	Due
DHBK	Doha Bank	2-Feb-20	5	Due
QIGD	Qatari Investors Group	2-Feb-20	5	Due
QATI	Qatar Insurance Company	2-Feb-20	5	Due
VFQS	Vodafone Qatar	3-Feb-20	6	Due
MCGS	Medicare Group	4-Feb-20	7	Due
UDCD	United Development Company	5-Feb-20	8	Due
QIMD	Qatar Industrial Manufacturing Company	5-Feb-20	8	Due
IQCD	Industries Qatar	10-Feb-20	13	Due
QAMC	Qatar Aluminum Manufacturing Company	12-Feb-20	15	Due
QEWS	Qatar Electricity & Water Company	12-Feb-20	15	Due
QCFS	Qatar Cinema & Film Distribution Company	12-Feb-20	15	Due
DOHI	Doha Insurance Group	12-Feb-20	15	Due
SIIS	Salam International Investment Limited	13-Feb-20	16	Due
ORDS	Ooredoo	13-Feb-20	16	Due

Source: QSE

Qatar

- **QAMC to hold its board meeting on February 12 to discuss the financial statements; the conference call to be held on February 18 –** Qatar Aluminium Manufacturing Company (QAMC) announced that the board of directors will hold its meeting on February 12, 2020 to discuss and approve the consolidated financial statements for the period ended December 31, 2019. A conference call will also take place on February 18, 2020. (QSE)
- **SIIS' board to meet on February 13 to discuss the financial statements –** Salam International Investment Limited (SIIS) announced that its board of directors will meet on February 13, 2020 to discuss and approve the financial statements for the period ended December 31, 2019. (QSE)
- **QNCD announces the agenda for its AGM and EGM expected on February 23** – Qatar National Cement Company's (QNCD) board of directors invited its shareholders to attend the company's Annual Ordinary General Assembly Meeting (AGM) and Extra-Ordinary General Assembly Meeting (EGM), which will be held on February 23, 2020. QNCD also announced the agenda for the meetings, including – (i) Approval the board of directors' proposal to distribute to the shareholders cash dividends of 30 % of the share capital, representing Dirham 30 per a complete share, (ii) Electing the four members of the board representing the private sector for upcoming three years i.e. 2020-2022, and (iii) Non-Qatari investors may own a ratio not exceeding (49%) of the company's capital in accordance with Law No. (1) of the year 2019 relating to investment of Non-Qatari capital in the economic activity. (QSE)
- **Ooredoo forms partnerships with Al Anees Electronics and Starlink –** Ooredoo has announced partnerships with Al Anees Electronics and Starlink to launch Business in Retail booths to provide enhanced levels of customer service. Business customers of all sizes and industry verticals can now meet with Ooredoo's Business in Retail experts at Al Anees Electronics shops in Al Watan Centre, Mansoura, and Plaza Mall, Asian Town, and at Starlink shops in Al Nasser, Aspire, and Royal Plaza. (Gulf-Times.com)
- **Qatar posts December trade surplus of QR14.3bn amid crude exports jump –** Qatar's crude exports witnessed a robust 21% YoY expansion as it reported trade surplus of QR14.3bn in December 2019, according to the country's Planning and Statistics Authority (PSA). The trade surplus, however, saw a 10% decline YoY, even as it showed a 14% growth on a monthly basis, the PSA report said. In December 2019, total exports of goods (including exports of goods of domestic origin and re-exports) amounted to QR23.59bn, which registered 7.2% YoY decline but showed a 6.4% MoM growth. The exports of petroleum gases and other gaseous hydrocarbons fell 6.7% YoY to QR14.95bn, non-crude by 17.6% to QR1.36bn and other commodities by 13.9% to QR2.38bn; whereas those of crude soared 20.9% to QR4.09bn at the end of December 2019. On a monthly basis, the exports of petroleum gases and other gaseous hydrocarbons shot up 6.3%, non-crude by 28.1% and other commodities by 9%; while those of crude were down 3.8%. Petroleum gases constituted 66% of the exports of domestic products compared to 68% a year ago period, crude 18% (14%), non-crude 6% (7%) and other commodities 10% (11%). The country's re-exports amounted to QR0.82bn in December 2019, which showed shrinkage of 19.8% on a yearly basis but witnessed a 32.8% surge on a monthly basis. Qatar's total imports (valued at cost insurance and freight) amounted to QR9.29bn, which showed 2.7% and 4% declines YoY and MoM, respectively in December 2019. The bulk of the exports continued to go towards Asia, which constituted more than 72% of the total. In absolute terms, Japan, China, South Korea, India and Singapore were among the largest export markets of Qatar; while imports mainly came from the US, China, Germany, the UK and Italy during the period under review. (Gulf-Times.com)
- **GPCA: Qatar chemical sector contribution to GDP second highest in GCC –** Qatar's chemical sector has the second highest contribution to the GDP among the GCC countries in 2018, Gulf Petrochemicals and Chemicals Association (GPCA) has said and noted fertilizers represent the highest-ever 51% share in the country's total production capacity. The country's chemical sector's share stood at 4.1%, second only to Oman (5.1%) in 2018. The production capacity reached 19.1mn tons and achieved chemical revenue of $7.3bn, an increase by 14% in 2018, GPCA said. In the "GPCA Pulse of the Chemical Industry Report" said the GCC chemical industry achieved a revenue of $84.1bn in 2018, with production capacity reaching 174.8mn tons, signaling an increase of 2.8% in terms of contribution to the regional GDP. The report highlights chemical production, export, sales, job creation and investments made in the Arabian Gulf in 2018. Due to the increased demand of chemicals by the GCC producers across the globe, the production capacity of the GCC chemical industry was also added by 13.3mn tons in 2018. (Gulf-Times.com)
- **Shura Council panel approves draft law on minimum wage –** The Legal and Legislative Affairs Committee of the Shura Council has approved the draft law on fixing the minimum wages for workers and domestic workers and submitted its recommendations to the Shura Council. The committee, chaired by its Rapporteur HE Nasser bin Rashid Al Kaabi, completed the study of the draft law. Meanwhile, the Shura Council on Monday approved a draft law on railways and decided to refer its recommendations to the government. At its weekly meeting under the chairmanship of Speaker HE Ahmed bin Abdullah bin Zaid al Mahmoud, the council discussed the Services and Public Utilities Committee's report on the draft law. The draft law includes 36 articles according to which the functions and terms of reference of the Ministry of Transport and Communications and Qatar Rail are defined, regarding the technical and administrative aspects of the country's railways. The draft law also includes issues related to the operation and safety of railways. (Qatar Tribune)

International

- **US new home sales fall unexpectedly, low mortgage rates lend support –** Sales of new US single-family homes fell unexpectedly in December, likely held down by a shortage of more affordable homes, but lower mortgage rates supported the overall housing market. The US Commerce Department report on Monday also showed downward revisions to sales for the prior three months, bucking a recent streak of fairly strong housing data. Strength in housing, following a slump in 2018 through the first half of 2019, could offset some of the drag on economic growth from weakness in business spending and manufacturing. New home sales slipped 0.4% last month to a seasonally adjusted annual rate of 694,000 units, with sales in the South dropping to the lowest in more than a year. It was the third straight monthly decline in sales. November's sales pace was revised down to 697,000 units from the previously reported 719,000. September and October sales were also marked down. Economists polled by Reuters had forecasted new home sales, which account for about 11.1 % of housing market sales, would increase 1.5% to a pace of 730,000 units in December. Cheaper mortgage rates have supported the housing market since the Federal Reserve cut interest rates three times last year. The 30-year fixed mortgage rate has dropped to an average of 3.60% from its peak of 4.94% in November 2018, according to data from mortgage finance agency Freddie Mac. (Reuters)

- **Business survey suggests US labor market may have peaked –** There is an even balance in the share of US businesses reporting decreases and increases in employment for the first time in a decade, a survey showed on Monday, the latest suggestion that the labor market has likely peaked and job growth could slow this year. The findings of the National Association for Business Economics' (NABE) fourth-quarter business conditions survey followed on the heels of a government report this month showing job openings falling by the most in more than four years in November. According to the survey, the declines in employment were in the services, goods-producing and transportation, utilities, information, and communications industries. There were gains in employment in the finance, insurance, and real estate sectors. Though job growth remains solid and more than enough to keep the unemployment rate low, momentum has slowed from the brisk pace experienced at the end of 2018 and the beginning of 2019. The government last August estimated that the economy created 501,000 fewer jobs in the 12 months through March 2019 than previously reported, the biggest downward revision in the level of employment in a decade. That suggests job growth over that period averaged around 170,000 per month instead of 210,000. Economists expect job gains beyond March 2019 could also be revised lower. (Reuters)
- **UK Finance: UK banks approve most mortgages since 2015 –** British banks approved the highest number of mortgages in more than four years in December, industry group UK Finance stated on Monday, adding to signs of a turnaround in the country's housing market since last month's election. Mortgage approvals for house purchase hit 46,815 last month on a seasonally adjusted basis, the most since August 2015, according to UK Finance's data. The value of mortgage lending rose by the most since March 2016, shortly before voters decided to leave the European Union, up by a net 3.773bn Pounds. The Bank of England is discussing this week whether to cut interest rates in response to weak economic data at the end of 2019, or put faith in early signs of a recovery since the election. However, there were also signs of caution among households in Monday's UK Finance data. Consumer credit grew by an annual 4.0% in December, the joint weakest pace since April of last year, and credit card lending was up by 2.4%, its second-weakest performance since late 2014. (Reuters)
- **Ifo: Gloomy services outlook pushes down German business morale –** German business morale deteriorated unexpectedly in January as the outlook for services darkened, a survey showed on Monday, suggesting that Europe's largest economy got off to a slow start in 2020 after narrowly avoiding a recession last year. The Ifo institute said its business climate index fell to 95.9 from 96.3 in December. The January reading confounded a Reuters consensus forecast for a rise to 97.0. Business confidence in the service sector fell noticeably and the mood among construction managers also cooled. However, the struggling manufacturing sector showed signs of a recovery. (Reuters)
- **China virus outbreak pressures already weakened economy –** A corona-virus outbreak in China which has killed 81 people and spread to many countries is expected to hurt its economy, an engine of global growth, though analysts say it is too early to quantify the overall impact on businesses and consumers. The consensus is that in the short term, economic output will be hit as Chinese authorities step up preventive measures, impose travel restrictions and extend the Lunar New Year holidays to limit the spread of the virus. Millions who usually travel during this period have cancelled their plans, with the government ordering that full refunds be provided to air and rail passengers Shanghai said on Monday that companies cannot restart operations before February 9, and businesses in the eastern Chinese manufacturing hub of Suzhou have been ordered to stay shut until at least February 8. The government has lengthened the week-long Lunar New Year holiday nationally by three days to February 2. Wuhan, a city of 11mn and the epicentre of the virus outbreak in central China, is already in virtual lockdown and severe limits on movement are in place in several other Chinese cities. (Reuters)

Regional

- **OPEC+ to weigh 'all options' to balance oil market in March –** Oil markets should not overreact to perceived potential for lower oil demand due to corona-virus outbreak, according to the UAE's Energy Ministry. The Minister said, "It is important that we do not exaggerate projections related to future decreases in oil demand due to events in China, and the market does not over-react based on psychological factors, driven by some traders in the market. OPEC+ will meet in March to discuss market and will, if required, consider all options to ensure continued market balance". The UAE said it is closely monitoring China's efforts to contain virus; is confident virus will be controlled. The UAE is confident that all OPEC+ members will uphold agreement and efforts to balance supply and demand. The UAE's compliance with its OPEC quota exceeded 100% in December. (Bloomberg)
- **MENA outlook promises to be 'fascinating' for investors in this decade, says HSBC –** The outlook for the Middle East and North Africa (MENA) region for the new decade is a fascinating one, full of continued economic reforms, transformation and market liberalization, according to HSBC. "With these developments, opportunities are expected to be widespread, across multiple industries and across the region. The combination of supportive

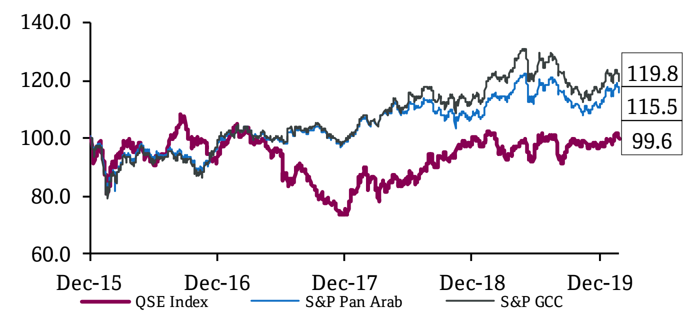
monetary policy and responsive central banks are a few of the additional supportive variables for the region," it stated in a release. The new decade will not be as kind to investors as the last and this will mean a new path for investments, HSBC Private Banking stated in its first quarter's investment outlook. "We will most likely see a US recession at some point in the next ten years, and while central banks' policies should remain accommodative, it is clear that the new decade will mean a new path for investments," HSBC Private Banking said in its investment outlook for the first quarter of 2020. "A multi-faceted investment strategy is needed to achieve the three objectives of income, growth and stability," Chief Market Strategist at HSBC Private Banking, Willem Sels pointed out. In a low growth and low interest rate environment, returns are unlikely to be as high as they were in the past decade, and in an environment where broad-based market upside is lower than in the past, and political risks remain high, HSBC Private Banking believes diversifying risk exposures will be especially important. HSBC Private Banking says portfolios should avoid excessive cash balances as well as the lowest rated end of high yield. It favors dollar investment grade, emerging markets' local and hard currency debt, complemented with dividend stocks, real estate and private debt instruments to generate further income. (Gulf-Times.com)

- **EU antitrust regulators to rule on $69bn Saudi Aramco-SABIC deal by February 27 –** EU antitrust regulators will decide by February 27 whether to clear state energy firm Saudi Aramco's $69.1bn acquisition of world number four petrochemicals group Saudi Basic Industries Corp (SABIC), a European Commission filing showed. Saudi Aramco, the world's largest oil producer, announced the deal to buy a 70% stake in SABIC from the Public Investment Fund (PIF) in March last year. It hopes the move will boost its downstream growth. The Commission can clear the deal with or without conditions during this preliminary review, or it can open a full-scale investigation of up to five months if it has serious concerns that it could hurt competition. Indian and a number of other countries' competition watchdogs have approved the deal without demanding concessions. (Reuters)
- **Saudi Al Babtain inks SR100mn loan deal with SAIB –** Al Babtain Power and Telecommunication company has signed a SR100mn medium-term credit facility agreement with Saudi Investment Bank (SAIB) under the Murabaha system. The three-year loan, which will be paid through monthly installments, is effective on January 23, 2020, according to the company's disclosure to the Saudi Stock Exchange (Tadawul). The company referred that the credit facility aims to convert a part of short-term loans into medium-term loans to increase the liquidity required to finance the company's future needs. The financial impact will reflect on the company's cash inflows in the first half of 2020 and the coming years. (Zawya)
- **EMIRATES posts 44.4% YoY rise in net profit to AED14,502.6mn in FY2019 –** Emirates NBD Bank (EMIRATES) recorded net profit of AED14,502.6mn in FY2019, an increase of 44.4% YoY. Net interest income rose 33.6% YoY to AED14,607.9mn in FY2019. Total operating income rose 28.8% YoY to AED22,418.5mn in FY2019. Total assets stood at AED683.3bn at the end of December 31, 2019 as compared to AED500.3bn at the end of December 31, 2018. Loans and receivables stood at AED384.9bn (+38.4% YoY), while customers' deposits stood at AED385.8bn (+32.6% YoY) at the end of December 31, 2019. EPS came in at AED1.68 in FY2019 as compared to AED1.70 in FY2018. Emirates NBD reported a 15% drop in fourth-quarter earnings, below analysts' forecasts, on a jump in impairment charges. The bank booked impairment charges of AED2.06bn in the quarter, up more than three times from a year earlier due to higher bad debt charges as it consolidated results of newly acquired Turkish lender DenizBank. Even without DenizBank, impairment charges were up 78% on lower write backs and recoveries. The bank did not give details of these charges. (DFM, Reuters)
- **EIB posts 14.8% YoY rise in net profit to AED1,061.0mn in FY2019 –** Emirates Islamic Bank (EIB) recorded net profit of AED1,061.0mn in FY2019, an increase of 14.8% YoY. Net income from financing and investment products rose 12.7% YoY to AED1,881.1mn in FY2019. Total operating income rose 8.4% YoY to AED2,670.3mn in FY2019. Total assets stood at AED64.8bn at the end of December 31, 2019 as compared to AED58.4bn at the end of December 31, 2018. Financing receivables stood at AED37.5bn (+3.7% YoY), while customers' deposits stood at AED45.3bn (+8.9% YoY) at the end of December 31, 2019. EPS came in at AED0.195 in FY2019 as compared to AED0.170 in FY2018. (DFM)
- **ADCB's net profit falls 1.0% YoY to AED4,789.7mn in FY2019 –** Abu Dhabi Commercial Bank (ADCB) recorded net profit of AED4,789.7mn in FY2019, registering decrease of 1.0% YoY. Net interest income rose 22.9% YoY to AED7,512.8mn in FY2019. Operating income rose 27.7% YoY to AED11,722.1mn in FY2019. Total assets stood at AED405.1bn at the end of December 31, 2019 as compared to AED279.8bn at the end of December 31, 2018. Loans and advances to customers, net stood at AED250.0bn (+50.2% YoY), while deposits from customers' stood at AED262.1bn (+48.4% YoY) at the end of December 31, 2019. Basic and diluted EPS came in at AED0.71 in FY2019 as compared to AED0.90 in FY2018. ADCB, which last year merged with smaller peers Union National Bank and Al Hilal Bank, recommended a cash dividend of AED0.38 per share. (ADX, Reuters)
- **Eni discovers natural gas and condensate in Sharjah –** Eni and government-run Sharjah National Oil Corp. (SNOC) discovered natural gas and condensates at an onshore location in the UAE Emirate of Sharjah, Eni said. Well has tested gas at flow rates of up to 50mn cubic feet per day, together with associated condensate. Well located in Area B concession; Eni and SNOC are also partners in Areas A and C. The size of find will be determined through additional drilling; gas discovery is the first in Sharjah since early-1980s: the statement that consultant Gulf Intelligence issued on behalf of SNOC. (Bloomberg)
- **IMF: Kuwait could need $180bn in financing over the next six years –** The IMF estimates that Kuwait's financing needs will amount to some $180bn over the next six years given the Gulf state's modest fiscal measures and expectations of lower oil prices. Kuwait said earlier this month it expects a budget deficit of $30.31bn in the fiscal year starting on April 1, a deficit increase of 19% compared to the previous year. IMF stated, "Subdued oil prices and output are weighing on near-term growth prospects and external and fiscal balances. The recent run-up in spending has worsened the fiscal position and eroded liquid buffers.

Without a course correction, the fiscal and financing challenges would intensify and the window of opportunity to proceed at a measured pace would narrow." A major oil exporter, Kuwait was among the most resilient economies in the region when oil prices sank in 2014-2015 thanks to low debt and large financial assets. However, it has not tapped global debt markets since its debut $8bn debt sale in 2017, because parliament has yet to pass a law that would allow it to raise its debt ceiling and to issue debt with longer maturities. That has raised concerns among analysts that its wealth fund General Reserve Fund (GRF), managed by the Kuwait Investment Authority (KIA), might be depleted over the next few years to cover Kuwait's deficits. The IMF expects Kuwait's consolidated fiscal balance to turn from a 5.5% of GDP surplus in 2019 to a deficit of a similar magnitude in 2025, which would lead to financing needs of some $180bn over the next six years. It estimated KIA's assets surpassed 410% of GDP by the end of last year, as one of its funds continued to receive mandatory transfers from the government and created strong returns on its assets. (Reuters)

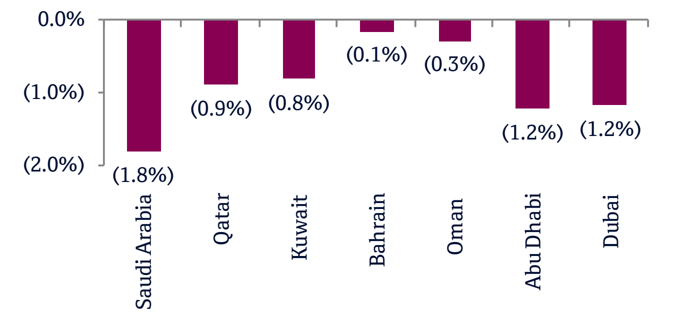
- **Kuwait Finance House realized a net profit of KD251.0mn for the year 2019 –** Kuwait Finance House's (KFH) Chairman, Hamad Abdulmohsen Al-Marzouq, said that it has realized a net profit of KD251.0mn for the year 2019 for KFH shareholders compared to KD227.4mn last year i.e. an increase of 10.4%. Financing income reached KD931.6mn, i.e. an increase of 8.1% compared to last year. Net operating income increased to reach KD510.1mn, i.e. a growth of 12.5% over the last year. Cost to income ratio dropped to reach 37.36% for the year 2019, compared to 39.20% last year. Earnings per share for 2019 reached 36.45 fils compared to 33.06 fils in 2018 i.e. an increase of 10.3%. KFH distributions for the year 2019 were as follows: 3.120% for "Al-Khumasiya" investment deposit, 2.620% for "Al-Mustamera" investment deposit, 2.075% for "Al-Sedra" investment deposit, 2.475% for the 12-month Dimah investment deposit, 2.150% for the 6-month Dimah investment deposit, 2.100% for long term investment plans and 0.800% for saving investment account. The boards of directors have proposed 20% cash dividends to shareholders and 10% bonus shares subject to general assembly and concerned authorities' approval. Total assets increased to reach KD19.391bn, i.e. an increase of KD1.621bn or 9.1% compared to 2018. Financing portfolio increased to reach KD9.337bn, i.e. an increase of KD146mn or 1.6% compared to 2018. Investment in Sukuk reached KD2.276bn an increase of KD713mn i.e. a growth of 45.6% compared to end of last year and the majority of the balance represents sovereign Sukuk Depositors' accounts increased to reach KD13.553bn, i.e. an increase of KD1.772bn or 15.0% compared to 2018. Shareholders' equity increased to reach KD2.060bn i.e. an increase of KD166mn or 8.8% compared to 2018. KFH's capital adequacy ratio (CAR) reached 17.67%, (after the proposed dividends) i.e. higher than the required limit of 15%, thus reiterating the strength of KFH financial position. (Zawya)
- **Oman sells OMR53mn 91-day bills at a yield of 1.814% –** Oman sold OMR53mn of 91 day bills due on April 29, 2020. The bills were sold at a price of 99.545, having a yield of 1.814% and will settle on January 29, 2020. (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 2.17x –** Bahrain sold BHD70mn of 91 day bills due on April 29, 2020. Investors offered to buy 2.17 times the amount of securities sold. The bills were sold at a price of 99.36, having a yield of 2.55% and will settle on January 29, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,582.06	0.7	0.7	4.3
Silver/Ounce	18.10	(0.0)	(0.0)	1.4
Crude Oil (Brent)/Barrel (FM Future)	59.32	(2.3)	(2.3)	(10.1)
Crude Oil (WTI)/Barrel (FM Future)	53.14	(1.9)	(1.9)	(13.0)
Natural Gas (Henry Hub)/MMBtu	2.03	5.7	5.7	(2.9)
LPG Propane (Arab Gulf)/Ton	39.00	(2.5)	(2.5)	(5.5)
LPG Butane (Arab Gulf)/Ton	80.50	1.4	1.4	22.9
Euro	1.10	(0.1)	(0.1)	(1.7)
Yen	108.90	(0.3)	(0.3)	0.3
GBP	1.31	(0.1)	(0.1)	(1.5)
CHF	1.03	0.2	0.2	(0.2)
AUD	0.68	(1.0)	(1.0)	(3.7)
USD Index	97.96	0.1	0.1	1.6
RUB	62.98	1.4	1.4	1.6
BRL	0.24	(0.6)	(0.6)	(4.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,356.09	(1.6)	(1.6)	(0.1)
DJ Industrial	28,535.80	(1.6)	(1.6)	(0.0)
S&P 500	3,243.63	(1.6)	(1.6)	0.4
NASDAQ 100	9,139.31	(1.9)	(1.9)	1.9
STOXX 600	414.07	(2.4)	(2.4)	(2.3)
DAX	13,204.77	(2.8)	(2.8)	(2.1)
FTSE 100	7,412.05	(2.4)	(2.4)	(3.2)
CAC 40	5,863.02	(2.8)	(2.8)	(3.8)
Nikkei	23,343.51	(1.8)	(1.8)	(1.4)
MSCI EM	1,102.98	(1.5)	(1.5)	(1.0)
SHANGHAI SE Composite#	2,976.53	0.0	0.0	(1.6)
HANG SENG#	27,949.64	0.0	0.0	(0.6)
BSE SENSEX	41,155.12	(1.3)	(1.3)	(0.5)
Bovespa	114,481.80	(4.0)	(4.0)	(5.6)
RTS	1,541.90	(3.6)	(3.6)	(0.5)

Source: Bloomberg (*$ adjusted returns; #Market was closed on January 27, 2020)

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