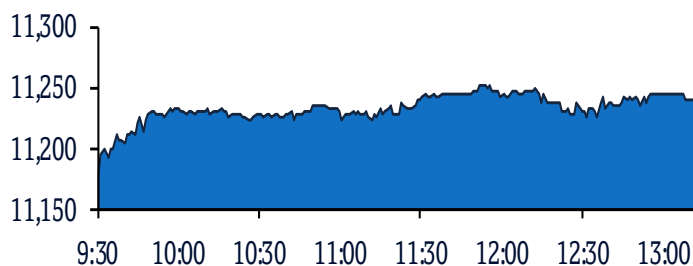


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.6% to close at 11,240.5. Gains were led by the Industrials and Telecoms indices, gaining 1.3% and 0.5%, respectively. Top gainers were Qatari German Co for Med. Devices and Qatar Aluminum Manufacturing Co., rising 3.0% and 2.9%, respectively. Among the top losers, Mannai Corporation fell 2.1%, while Qatar First Bank was down 1.3%.

## GCC Commentary

**Saudi Arabia:** Market was closed as on September 23, 2021.

**Dubai:** The DFM Index fell 0.1% to close at 2,839.6. The Services index declined 2.0%, while the Banks index fell 0.3%. Tabreed declined 3.4%, while AL SALAM Sudan was down 3.2%.

**Abu Dhabi:** The ADX General Index gained 0.6% to close at 7,824.8. The Services index was up 1.8% while the Telecommunication index rose 1.0%. Gulf Cement Co. rose 9.1%, while Ooredoo was up 8.5%.

**Kuwait:** The Kuwait All Share Index gained 0.4% to close at 6,876.0. The Technology index rose 5.3%, while the Energy index gained 0.8%. Kuwait Business Town Real Estate rose 9.3%, while Munshaat Real Estate Project was up 8.3%.

**Oman:** The MSM 30 Index gained 0.3% to close at 3,927.1. Gains were led by the Industrial and Financial indices, rising 0.4% and 0.1%, respectively. Al Anwar Ceramic Tiles Co. rose 4.7%, while United Finance Company was up 3.6%.

**Bahrain:** The BHB Index gained 0.6% to close at 1,702.5. The Financials index rose 0.9%, while the other indices ended flat. GFH Financial Group rose 3.6%, while Ahli United Bank was up 1.6%.

Market Indicators	23 Sept 21	22 Sept 21	%Chg.
Value Traded (QR mn)	379.9	327.6	16.0
Exch. Market Cap. (QR mn)	648,909.2	645,211.7	0.6
Volume (mn)	157.7	123.6	27.6
Number of Transactions	9,235	7,830	17.9
Companies Traded	46	44	4.5
Market Breadth	21:21	24:16	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	22,251.31	0.6	0.5	10.9	17.1
All Share Index	3,557.73	0.5	0.2	11.2	17.9
Banks	4,733.24	0.4	(0.7)	11.4	15.6
Industrials	3,858.42	1.3	3.2	24.5	20.7
Transportation	3,399.59	0.4	0.2	3.1	19.0
Real Estate	1,791.36	(0.2)	(0.5)	(7.1)	16.6
Insurance	2,569.48	(0.3)	(0.6)	7.2	17.0
Telecoms	1,053.89	0.5	1.8	4.3	N/A
Consumer	8,195.43	0.2	(0.4)	0.7	22.8
Al Rayan Islamic Index	4,712.86	0.4	0.7	10.4	17.9

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Qatar Aluminum Manu.	Qatar	1.82	2.9	43,142.4	88.1
Industries Qatar	Qatar	14.18	2.0	2,222.8	30.5
Ahli United Bank	Bahrain	0.95	1.6	869.2	30.6
GFH Financial Group	Dubai	0.72	1.6	5,643.7	20.8
The Commercial Bank	Qatar	6.00	1.4	786.0	36.4

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Abu Dhabi Islamic Bank	Abu Dhabi	5.60	(1.4)	1,774.2	19.1
Abu Dhabi National Oil Co	Abu Dhabi	4.25	(1.2)	20,358.8	13.3
Dubai Islamic Bank	Dubai	4.92	(0.8)	3,744.1	6.7
Mesaieed Petro. Holding	Qatar	2.22	(0.8)	7,212.4	8.5
Aluminum Bahrain	Bahrain	0.69	(0.7)	2,183.4	34.5

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%
Qatari German Co for Med. Dev.	3.10	3.0	4,631.4	38.6
Qatar Aluminum Manufacturing Co	1.82	2.9	43,142.4	88.1
Ahli Bank	3.99	2.6	50.0	15.8
Industries Qatar	14.18	2.0	2,222.8	30.5
Aamal Company	1.02	1.6	12,537.5	19.4

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminum Manufacturing Co	1.82	2.9	43,142.4	88.1
Investment Holding Group	1.38	0.1	14,859.3	129.9
Aamal Company	1.02	1.6	12,537.5	19.4
Salam International Inv. Ltd.	0.93	(0.5)	10,739.3	43.5
Mazaya Qatar Real Estate Dev.	1.04	(0.6)	7,299.5	(17.9)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Mannai Corporation	3.91	(2.1)	195.8	30.2
Qatar First Bank	1.85	(1.3)	4,362.0	7.2
QLM Life & Medical Insurance	4.84	(1.3)	45.6	53.7
Mesaieed Petrochemical Holding	2.22	(0.8)	7,212.4	8.5
Qatar Industrial Manufacturing Co	3.03	(0.7)	43.3	(5.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar Aluminum Manufacturing	1.82	2.9	77,824.1	88.1
QNB Group	19.10	0.5	45,442.5	7.1
Industries Qatar	14.18	2.0	31,429.1	30.5
Investment Holding Group	1.38	0.1	20,432.6	129.9
Qatar Islamic Bank	17.98	0.0	16,420.9	5.1

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*	11,240.53	0.6	0.5	1.3	7.7	103.30	176,762.9	17.1	1.6	2.6
Dubai	2,839.57	(0.1)	(2.1)	(2.2)	13.9	30.12	106,071.9	21.0	1.0	2.7
Abu Dhabi	7,824.79	0.6	(0.7)	1.8	55.1	369.82	367,735.8	24.3	2.4	2.9
Saudi Arabia#	11,270.57	0.0	(1.3)	(0.4)	29.7	1,317.10	2,607,407.9	27.3	2.4	2.3
Kuwait	6,876.00	0.4	0.1	1.3	24.0	186.99	132,579.8	27.5	1.7	1.9
Oman	3,927.08	0.3	(0.2)	(1.0)	7.3	5.95	18,423.2	11.7	0.8	4.0
Bahrain	1,702.49	0.6	1.4	3.5	14.3	19.17	27,335.5	12.0	0.8	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 of September 22, 2021)

## Qatar Market Commentary

- The QE Index rose 0.6% to close at 11,240.5. The Industrials and Telecoms indices led the gains. The index rose on the back of buying support from GCC and foreign shareholders despite selling pressure from Qatari and Arab shareholders.
- Qatari German Co for Med. Devices and Qatar Aluminum Manufacturing Co. were the top gainers, rising 3.0% and 2.9%, respectively. Among the top losers, Mannai Corporation fell 2.1%, while Qatar First Bank was down 1.3%.
- Volume of shares traded on Thursday rose by 27.6% to 157.7mn from 123.6mn on Wednesday. However, as compared to the 30-day moving average of 165.8mn, volume for the day was 4.9% lower. Qatar Aluminum Manufacturing Co. and Investment Holding Group were the most active stocks, contributing 27.4% and 9.4% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	48.41%	45.97%	9,241,486.9
Qatari Institutions	17.30%	24.22%	(26,290,870.7)
<b>Qatari</b>	<b>65.71%</b>	<b>70.20%</b>	<b>(17,049,383.8)</b>
GCC Individuals	0.74%	0.73%	43,976.8
GCC Institutions	2.77%	0.65%	8,026,958.3
<b>GCC</b>	<b>3.50%</b>	<b>1.38%</b>	<b>8,070,935.1</b>
Arab Individuals	10.91%	13.46%	(9,708,319.0)
Arab Institutions	0.00%	0.00%	–
<b>Arab</b>	<b>10.91%</b>	<b>13.46%</b>	<b>(9,708,319.0)</b>
Foreigners Individuals	2.61%	2.83%	(812,733.8)
Foreigners Institutions	17.27%	12.14%	19,499,501.5
<b>Foreigners</b>	<b>19.88%</b>	<b>14.96%</b>	<b>18,686,767.7</b>

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

## Global Economic Data

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
09-23	US	Department of Labor	Initial Jobless Claims	18-Sep	351k	320k	335k
09-23	US	Department of Labor	Continuing Claims	11-Sep	2845k	2600k	2714k
09-23	US	Markit	Markit US Manufacturing PMI	Sep	60.5	61	61.1
09-23	US	Markit	Markit US Services PMI	Sep	54.4	54.9	55.1
09-23	US	Markit	Markit US Composite PMI	Sep	54.5	–	55.4
09-23	UK	Markit	Markit UK PMI Manufacturing SA	Sep	56.3	59	60.3
09-23	UK	Markit	Markit/CIPS UK Services PMI	Sep	54.6	55	55
09-23	UK	Markit	Markit/CIPS UK Composite PMI	Sep	54.1	54.6	54.8
09-24	UK	GfK NOP (UK)	GfK Consumer Confidence	Sep	-13	-7	-8
09-23	EU	Markit	Markit Eurozone Manufacturing PMI	Sep	58.7	60.3	61.4
09-23	EU	Markit	Markit Eurozone Services PMI	Sep	56.3	58.5	59
09-23	EU	Markit	Markit Eurozone Composite PMI	Sep	56.1	58.5	59
09-23	Germany	Markit	Markit/BME Germany Manufact. PMI	Sep	58.5	61.4	62.6
09-23	Germany	Markit	Markit Germany Services PMI	Sep	56	60.3	60.8
09-23	Germany	Markit	Markit/BME Germany Composite PMI	Sep	55.3	59.2	60
09-23	France	INSEE National Statistics Office	Business Confidence	Sep	111	110	110
09-23	France	INSEE National Statistics Office	Manufacturing Confidence	Sep	106	109	110
09-23	France	INSEE National Statistics Office	Production Outlook Indicator	Sep	23	12	16
09-23	France	Markit	Markit France Manufacturing PMI	Sep	55.2	57	57.5
09-23	France	Markit	Markit France Services PMI	Sep	56	56.1	56.3
09-23	France	Markit	Markit France Composite PMI	Sep	55.1	55.7	55.9
09-24	Japan	Ministry of Internal Affairs & Communications	Natl CPI YoY	Aug	-0.40%	-0.30%	-0.30%
09-24	Japan	Markit	Jibun Bank Japan PMI Mfg	Sep	51.2	–	52.7
09-24	Japan	Markit	Jibun Bank Japan PMI Services	Sep	47.4	–	42.9
09-24	Japan	Markit	Jibun Bank Japan PMI Composite	Sep	47.7	–	45.5

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

## Qatar

- QFBQ acquires award-winning, multi-tenant office building Fourteen555 in Texas** – Qatar First Bank (QFBQ) has announced the acquisition of Fourteen555, a class AA office building located in the desirable Lower Tollway Corridor in Dallas, Texas. Fourteen555 is QFBQ's 8th Shariah-compliant real estate acquisition in the US and becomes the first multi-tenant office addition to QFBQ's eleven-asset strong portfolio. The recipient of the 2020 Southwest Region TOBY (The Outstanding Building of the Year) award, Fourteen555 is a best-in-class luxurious office building with a host of amenities including a courtyard with outdoor seating, green spaces, and an entire three-story separate Hub building featuring a state-of-the-art conference center, cafe with terrace, fully equipped fitness center, rooftop lounge and event space. This six-story class AA office building is 100% leased by a roster of 8 tenants and exhibits a weighted average lease term of 11 years with no major rollover before 2029. The building serves as headquarters for Occidental Petroleum's chemical division OxyChem, and includes billion-dollar revenue firms such as Moss Adams and Infor as other major tenants. (QSE, Gulf-Times.com)
- Ooredoo awards contracts to Tunisia's CERT research center** – Ooredoo has signed a three-year contract with CERT (Centre d'Etudes et de Recherches des Telecommunications), a public research and consulting center dedicated to the telecom sector. The two partners will collaborate on work focused on civil engineering and fiber installation. They have also joined forces on a separate project, under which CERT will help Ooredoo respect its obligations linked to radio frequency (RF) exposure limits of mobile towers. (Bloomberg)
- QNCD : Board of directors to meet on October 10** – Qatar National Cement Company (QNCD) has announced that its board of directors will be holding a meeting on October 10, 2021 to discuss and approve the financial statements for the nine months period ending September 30, 2021. (QSE)
- Travel insurance sale surges as tourism gains pace** – The sale of travel insurance has surged in Qatar as movement of travelers has increased due to easing of travel related restrictions. It is now compulsory to have travel insurance for visitors coming to Qatar on visit visa. "We have seen a surge in sales of travel insurance in the past couple of months. We are seeing sale of around 50-60 travel insurance products daily which is significantly higher than what we used to sell earlier," Head of Rayan Travel & Tours, Zaheer Yousuf told The Peninsula. "The main reason behind this sharp rise is that it has now become mandatory for travelers coming to Qatar on visit visa to have travel insurance. Another supporting factor is the increase in travel related activities due to easing of travel restrictions," added Yousuf. Getting travel insurance has also become easier for travelers. Most of the tours and travel agents have a tie-up with insurance companies. When a traveler goes to travel agents for flight tickets, he can also get travel insurance from there. Travel insurance for a month costs varies from company-to-company but it is available in the range of QR150-QR250 while travel insurance for three months costs around QR200-QR300. (Peninsula Qatar)
- Qatar offers huge business opportunities for investors** – Companies can benefit from Qatar's business-friendly investment ecosystem to set up their operations and to grow their business. There are significant growth opportunities in all sectors of the Qatari economy such as infrastructure and logistics, financial services, entertainment, technology, advanced manufacturing, tourism, professional services, and agriculture said panelists during a webinar, held recently. In a webinar organized by the Investment Promotion Agency Qatar's (IPA Qatar) in partnership with PwC, panelists highlighted Qatar's thriving business environment and provided a comprehensive overview of the country's legal and regulatory framework. (Peninsula Qatar)
- QCB finds significant growth in value of traded notes in 2020** – The new currency regime, fifth in series, triggered a "significant" double-digit growth in value of traded notes in 2020, according to the Qatar Central Bank (QCB). In its 2020 annual report, the QCB said during the year, the value of traded paper and coins in circulation has grown "significantly". At the end of December 2020, the value of paper currency in circulation reached QR26.22bn, showing an annual growth of 60.34% compared to a slight increase of 1.16% at the end of 2019, said the report, which was released last week. "This significant growth in the value of traded notes mainly reflects the new issuance of the Qatari riyal currency in December 2020," it said. The volume of banknotes expanded by 18.84% in 2020 against 8.43% in 2019, it said, adding the year witnessed the issuance of the QR200 denomination for the first time in the history of Qatari currencies. In terms of value, the QR500 denomination accounted for 77.04% of the total value of the traded notes, while the QR1 denomination constituted 44.72% of the total circulated banknotes by volume. Among the currencies, in terms of value, QR50 denomination witnessed the fastest growth and QR1 the least expansion in 2020. (Gulf-Times.com)
- Official: QDB plans more value-added services for SMEs** – As many SMEs move towards digital transformations, Qatar Development Bank (QDB) plans to launch more value-added services for Small and Medium Enterprises (SMEs), said a senior QDB official during a webinar held last week. The Ministry of Transport and Communications (MoTC) in collaboration with QDB organized the sixth digital forum 'The Importance Role of Digitization - Shifting Business Models' which highlighted the importance of digitization in Qatar and globally. The Digital Transformation of Small and Medium Enterprises (DTSME) initiative under MoTC started in 2017 and until today has worked with more than 3,000 SMEs and supported more than 1,000 to start their journey in digital transformation through more than 300 workshops supported by MoTC. (Peninsula Qatar)
- Ashghal to build Middle East's first factory for EV chargers** – The Public Works Authority (Ashghal) has signed a memorandum of understanding (MoU) with ABB for the establishment of a factory to produce chargers for electric vehicles. This would be the first factory for ABB E-mobility in the Middle East region, QNA reported yesterday. The agreement has been designed in co-ordination with Qatar Free Zones Authority, which plays a vital part in outreach efforts with stakeholders to ensure promising growth opportunities to investors, especially as it owns the land where the new charging device plant is expected to be built, Ashghal said in a press statement. The signing of the MoU accompanies an electric charging device supplying contract for electric buses, as part of the Ministry of Transport and Communications' (MoTC) strategy to switch to electric vehicles. (Gulf-Times.com)
- KPMG: Qatar retail segment sees new operational models such as 'revenue share' deals** – Qatar's retail segment is experiencing the advent of new operational models such as 'revenue share' deals, which according to KPMG, "offer a combination of base rent and turnover percentage to ease the rental burden on retailers." "This is also beneficial in attracting new tenants, as we foresee more retailers opting for this route over the short to mid-term," KPMG said in the 'Qatar Real Estate Rental Index 1Q2016 – 2Q2021' report. The organized

retail mall segment registered a relatively softer decline on the rental index by 2.9% compared to the material drop of 9.6% experienced primarily due to the onset of the pandemic during 3Q and 4Q2020. The same period (1Q and 2Q) during 2020 had recorded a drop of 2.5%. The malls in Qatar with stable occupancy levels experienced a drop of approximately 1.8% in the asking rentals over 1Q and 2Q2021. The malls having occupancy of less than 80% (including the upcoming malls) experienced a slightly higher decline in asking rentals i.e., 3.4% on the rental index. Changing the momentum experienced over the last year, 1Q and 2Q2021 registered improved leasing activity with several new and existing brands occupying organized retail spaces in the leading malls across Qatar. The declining rentals remain in favor of the retailers, as major developers/mall operators continue to offer incentives to attract and retain tenants such as rent-free periods, freezing rent periods, and extended fit-out periods, KPMG said. (Gulf-Times.com)

- **Austria to sign air transport agreement with Qatar** – The Austrian Federal Chancellery September 22 approved Bill No. 71/7, authorizing the signature of the air transport agreement between EU members and Qatar. (Bloomberg)
- **MoTC unveils Sila to bring Qatar's transport modes together into one network** – The Ministry of Transport and Communications (MoTC) has unveiled Sila, the brand that brings together Qatar's transport modes into one network. Currently, it includes the Metro, bus, taxi and tram, the ministry said in a statement. Sila – which means 'connection' in Arabic – will be launched in phases, in collaboration with Qatar Railways Company, Mowasalat (Karwa), Qatar Foundation and Msheireb Properties. (Gulf-Times.com)
- **Minister: Food security is a national issue for Qatar** – HE the Minister of Municipality and Environment and Acting Minister of Cabinet Affairs Abdullah bin Abdulaziz bin Turki Al-Subaei said that Qatar National Vision 2030 includes building a strong food system that supports a diversified, competitive economy that strikes a balance between economic development and social and environmental ones to achieve prosperity for its people and the world. In a speech at the UN Food Systems Summit that was held in New York via video conference, he said that food security in Qatar has become a national security issue. He said that Qatar's food system has become a model for resiliency. (Gulf-Times.com)
- **Qatar Airways to launch scheduled passenger services to Kazakhstan's Almaty from November 19** – Qatar Airways will launch scheduled passenger services to Almaty, Kazakhstan starting from November 19. The new service will be operated by an Airbus A320 aircraft, featuring 12 seats in business class and 132 seats in economy. This service will enable passengers flying to and from Almaty to enjoy seamless connectivity to over 140 destinations, via the World's Best Airport, Hamad International Airport in Doha. (Gulf-Times.com)
- **FM, Saudi counterpart discuss bilateral ties** – Deputy Prime Minister and Minister of Foreign Affairs, HE Sheikh Mohammed bin Abdulrahman Al Thani, met yesterday with the Minister of Foreign Affairs of the Kingdom of Saudi Arabia, HH Prince Faisal bin Farhan bin Abdullah Al Saud, on the sidelines of the 76th Session of the UN General Assembly in New York. The meeting dealt with reviewing bilateral cooperation, regional and international issues, in addition to a number of issues of joint interest. (Peninsula Qatar)

#### International

- **US weekly jobless claims unexpectedly rise; labor market recovery on track** – The number of Americans filing new claims for unemployment benefits unexpectedly rose last week,

boosted by surges in California and Virginia, but the underlying trend remained consistent with a steadily recovering labor market. The second straight weekly increase in jobless claims reported by the Labor Department on Thursday puzzled economists. Some pointed a finger at the wildfires in California, while others blamed Hurricane Ida, which devastated US offshore energy production in late August. There was little conviction that ongoing COVID-19 infections, driven by the highly contagious Delta variant of the coronavirus, were a factor. "Some, but not all, of this recent pickup looks related to Hurricane Ida, as filings in Louisiana have been above their pre-storm trend in recent weeks," said Daniel Silver, an economist at JPMorgan in New York. The four-week moving average of claims, considered a better measure of labor market trends as it irons out week-to-week volatility, fell 750 to 335,750 last week. That was the lowest level since mid-March 2020 when mandatory closures of nonessential businesses were enforced when the nation was slammed by the first wave of coronavirus cases. Claims have dropped from a record 6.149 million in early April 2020, but still remain above the 200,000-250,000 range that is viewed as consistent with healthy labor market conditions. The Federal Reserve on Wednesday struck an upbeat note on the economy, paving the way to reduce its monthly bond purchases "soon" and signaling interest rate increases may follow more quickly than expected. (Reuters)

- **CBI: UK retail sales growth slows to 6-month low in September** – British retailers reported much slower growth in September after strong demand over the summer months, though shops expect a rebound in October despite growing supply chain difficulties, the Confederation of British Industry said on Friday. The CBI's monthly distributive trade survey showed the headline sales balance for retailers tumbled to +11 in September from +60 in August, its lowest level since March and below all forecasts in a Reuters poll of economists. "Low stock adequacy remains a concern across the distribution sector," CBI economist Ben Jones said. "Respondents to our survey have told us that they do not expect the transport and production issues that are causing these shortages to ease significantly until at least next year and, in some cases, beyond," he added. (Reuters)
- **BoE sees growing case for rate rise as inflation to stay higher for longer** – The Bank of England (BoE) said the case for higher interest rates "appeared to have strengthened" on Thursday after it nudged up its forecast for inflation at the end of the year to over 4%, more than twice its target rate. The BoE said it expected the overshoot to be temporary, but two policymakers called for an immediate halt to the British central bank's 895bn pound (\$1.23tn) bond purchase program, which is due to run until year-end. Sterling rose by almost a cent against the US dollar and two-year British government bond yields surged by their most since March 2020 as traders bet on an earlier rate rise by the BoE, which would be the first major central bank to hike since the COVID-19 pandemic. The US Federal Reserve said on Wednesday that it could start to slow its asset purchase program as soon as November, and earlier on Thursday Norway's central bank raised rates, joining a handful of other developed economies in doing so. After the BoE statement, sterling interest rate futures priced in a 90% chance that the BoE would raise rates by February, up from just over 60% before - though some economists say this is premature given the challenges to growth. But others viewed the BoE as preparing the ground for a rate rise early next year, and Citi and J.P. Morgan brought forward their forecasts for a first BoE rate rise to 0.25% from 0.1% to the first quarter of 2022, with another a few months later. (Reuters)

- French economy expected to grow 6% in 2021** – French President Emmanuel Macron's government defended its tax cuts and unprecedented pandemic spending as it turned in its budget plans for 2022, a presidential election year. Finance Minister Bruno Le Maire said the spending had held the Eurozone's second-biggest economy back from the brink as COVID restrictions stunted activity worldwide. "We spent the money making sure it went to good use," Le Maire told reporters as he presented the 2022 budget. "We manage the budget seriously and responsibly, we are attached to keeping the public finances under control." Boosted by €70bn in further stimulus that will have been spent by the end of 2021, the government forecasts the €2.3tn economy will grow 6% this year as it recovers from the crisis before slowing to 4% in 2022. With the French economy bouncing back stronger than initially seen, the government has already trimmed back its budget deficit estimates for 2021 and 2022. Despite the extraordinary strain on the public finances, Le Maire said the government would nonetheless have delivered €50bn in tax cuts to households and companies over the course of Macron's five-year term. It now expects the public sector's budget shortfall to drop from an estimated 8.4% of gross domestic product this year to 4.8% next year as the economy puts the coronavirus crisis behind it and support measures are withdrawn. An independent budget oversight panel said the government may be overestimating the deficit as a strong job market rebound should result in better than expected tax income. With France's national debt burden expected to reach 116% of GDP this year, the panel urged the government to use any financial windfall to reduce debt, spurning the temptation to boost spending heading into an election year. (Reuters)
- ECB's Lagarde says many causes of inflation spike are temporary** – Many of the drivers of a recent spike in Eurozone inflation are temporary and due to fade in the next year, European Central Bank (ECB) President Christine Lagarde said. Eurozone prices have been rebounding faster than expected as the economy reopened after pandemic-induced lockdowns, and several ECB policymakers think inflation will be close to, or even above, the ECB's target of 2% next year. In an interview aired on CNBC on Friday, Lagarde blamed much of the rise on supply disruptions and said inflation should stabilize next year. She was later echoed by Italian ECB policymaker Ignazio Visco. "We think that there will be a return to much more stability in the year to come because many of the causes of higher prices are temporary," Lagarde said. "When you look at what's causing it, a lot of it has to do with energy prices." She added "things will fall into place" when new sources of supply are found but cautioned higher energy prices might persist as they related to a transition away from fossil fuels. Speaking to Italian broadcaster Rai, Bank of Italy governor Ignazio Visco said he saw "no underlying driver" for inflation to persist beyond this temporary spike and that wages were not being increased. Lagarde expected "movement" on the inflation front once the labour market tightened but added there was still "a lot of ground to cover" with at least one million more unemployed than before the COVID-19 pandemic. The ECB president also sought to differentiate between the ECB, which began scaling back its emergency bond purchases this month though it plans to keep printing money for a while, and the Federal Reserve, which said this week it expects to start tapering its bond-buying scheme soon. "There is an element of tapering in the way they (the Fed) have structured their support package to the economy, whereas we are not in that situation," Lagarde said. "We are in the process of calibrating, and we have begun calibrating." Asked about the turmoil that has hit China's property firm Evergrande, Lagarde said: "in the euro area, in particular, direct exposure would be limited". (Reuters)
- Reuters poll: Japan factory output seen down again in August on supply chain disruption** – Japan's factory output likely fell again in August as the country's manufacturing sector faced supply chain disruptions driven by a global chip shortage and the spread of the Delta coronavirus variant in Southeast Asia. Retail sales also likely eased in August after a sharp rise in July, according to the poll, underscoring the fragility of domestic consumption and shattering policymakers' hopes that Japan's export-based recovery from the coronavirus pandemic would become more broad-based. Separate data is expected to show Japan's jobless rate inched up in August and job availability eased a tad, also boding ill for consumer spending, which makes up over half of the world's third-largest economy. The batch of weak data underscores the challenge the new leader of the ruling Liberal Democratic Party (LDP), and hence the new prime minister, will face as he or she seeks to battle COVID-19 while keeping the economy afloat. Data from the Ministry of Economy, Trade and Industry is expected to show industrial output fell 0.5% in August from the previous month, according to the Reuters poll of 19 economists. Output fell for a second straight month but at a slower pace than in July, when it declined 1.5%. Japan's recovery has been led by exports of cars and capital goods. Analysts worry a supply crunch in Southeast Asia and a slowing Chinese economy could hurt output and export demand respectively, threatening to derail the Japan's rebound from the pandemic-led slump. "Car production remained under pressure for adjustment and China's pick-up from the COVID pain appeared to be stalling," said Takeshi Minami, chief economist at Norinchukin Research Institute. Economists in the poll saw retail sales declining 1.0% in August from a year earlier, after growing 2.4% in July, as the hit to service sector activity from the COVID-19 crisis lingered. It would be the first year-on-year decline in six months. The Ministry of Economy, Trade and Industry will release both industrial output and retail sales data on Sept. 30 at 8:50 a.m. (Sept. 29 at 2350 GMT). The country's unemployment rate was expected to worsen, rising a tad to 2.9% in August from 2.8% in July, while the jobs-to-applicants ratio was projected to ease slightly to 1.14 from 1.15 in the previous month. Job figures will be released on October 1 at 8:30 a.m. (September 30 at 2330 GMT). Housing starts data, due on Sept. 30 at 2 p.m. (0500 GMT), is likely to show a 9.5% increase in August, after a 9.9% gain in July. (Reuters)
- India Central bank to retain cash surplus, may announce GSAP auction** – India's central bank is likely to retain a surplus of liquidity in the banking system and announce another round of bond purchases, but will avoid adding incremental cash in the near future, two sources said on Friday. Funds parked with the Reserve Bank of India (RBI), in its reserve repo window, have averaged about 7tn rupees (\$95bn), while the government's cash balances with the central bank are about 3.4tn. This fiscal year, the RBI has bought bonds worth 2.05tn rupees in auctions forming part of its government securities acquisitions programme (GSAP). "All our objectives with surplus liquidity are not yet met," said a senior government source directly aware of the matter. "For example, credit growth is not at desirable levels and this needs to increase, for which surplus liquidity is something we need," added the source, who asked not to be identified as he was not authorised to speak to media. "Also the US tapering could be bit more aggressive than we had expected so we want to ensure our market liquidity remains in surplus." A banking source said the RBI was in no hurry to withdraw the existing surplus, and would probably unveil another GSAP round at a monetary policy review on October 8. "The RBI does

not want to add to the surplus liquidity, at least, not immediately, but they will announce a GSAP 3.0, or possibly a calendar which could include simultaneous buying and sale of bonds that is liquidity neutral," said the source, who sought anonymity as the matter is a sensitive one. The RBI did not immediately respond to a request for comment. The government source added, "I expect RBI to keep liquidity neutral or positive, compared to current levels. So GSAP 3.0 should be announced. This is the time to push economic growth. We cannot sap liquidity from the market." (Reuters)

- **Russia's Central bank official: people's inflationary expectations to decline** – Russia's central bank expects citizens' expectations for inflation to decline, the Deputy Head of its Monetary Policy Department said on Thursday. Andrey Lipin also said the central bank sees no risks for inflation from any bailouts of commercial banks in the short or medium term. He was speaking during a round table event at a Moscow-based think tank. (Reuters)
- **Brazil central bank to hold extra swap auctions to meet over-hedge demand** – Brazil's central bank said on Friday it would hold additional twice weekly auctions of traditional currency swaps, starting September 27, to address demand from banks dismantling their "over-hedge" position to protect against exchange rate fluctuations. The auctions will be held on Mondays and Wednesdays. The central bank said in a statement that on Monday it would auction 14,000 traditional swap contracts, equivalent to \$700mn, with maturities between June 1 and Sept. 1, 2022. Earlier this month, central bank chief Roberto Campos Neto said that the government would probably need to intervene in foreign exchange markets to deal with demand related to dismantling of the over-hedge positions. Banks stopped pursuing over-hedge positions after changes to tax rules in early 2020. Undoing those positions requires banks to purchase dollars. At the end of 2020, the estimated dollar purchase volume related to over-hedging was between \$15bn and \$16bn. If the central bank keeps up twice weekly sales at the pace of the auction planned for Monday through the end of the year, it will inject at least \$18bn into the market. Separately, the bank will continue to rollover existing swap contracts due to expire. On Monday, it will hold an auction to roll over 15,000 swap contracts worth \$750mn due to expire on December 1. (Reuters)

### Regional

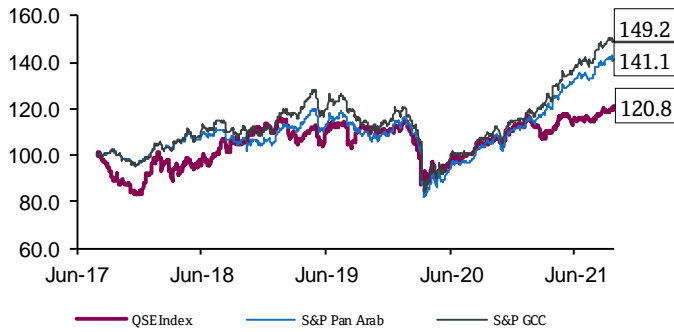
- **Saudi' CMA seeks to double \$213bn funds under management** – The Saudi Capital Market Authority (CMA) aspires to double the funds invested through managed channels from SR800bn, SPA reported, citing the CMA's Assistant Undersecretary for Strategic and International Affairs Ahmed Al-Enezi. The CMA wants to create more jobs in the financial sector by increasing the assets under management in funds, portfolios or other innovative financial tools, including private equity funds, venture capital, and financial technology, he said. To that end, Saudi Arabia has invested in infrastructure, including the Saudi Fintech initiative, launched by the Saudi Central Bank in partnership with the CMA in April 2018, as a catalyst for the development of the financial technology sector in the Kingdom, said Al-Enezi. (Zawya)
- **Jamjoom plans Saudi expansion after UAE Subway deal** – Kamal Osman Jamjoom Group, (KOJ), the Saudi group that last week announced a major expansion in the UAE via a master franchise deal with US fast-food group Subway, could follow that move with a big initiative in food and beverage in Saudi Arabia. Hisham Al Amoudi, KOJ group chief executive, told Arab News: "We have an ambitious plan to acquire markets and brands in Saudi Arabia," without identifying which brands. The move could take place next year, he said. He cannot disclose the financial

cost of the UAE expansion, but concedes it will be a "multi-million Dirham initiative" to transform the stores with new training and uniforms for the staff, in addition to the stores' facelift. (Zawya)

- **Over 571,000 expats quit Saudi job market in a year** – A total of 571,333 expatriates have left the Kingdom's employment market from both the private and government sectors during a period of one year ending the second quarter of 2021. This represents a decrease of 8.52%, according to the latest data released by the General Authority for Statistics and the General Organization for Social Insurance (GOSI). The number of expatriates in the local labor market fell to 6,135,126 by the end of June this year from 6,706,459 at the end of June 2020. The statistical figures also showed a decrease of 5.46% in the number of Saudi and non-Saudi subscribers to GOSI working in the public and private sectors, accounting for 474,382 subscribers, during the period. (Zawya)
- **Al-Jadaan: Saudi Arabia expects to post lower deficit in 2021** – Minister of Finance Mohammed Al-Jadaan said that Saudi Arabia is expected to post lower deficit in 2021, after containing the financial and economic repercussions of the COVID-19 pandemic, Saudi Press Agency reported on Thursday. This will be backed by several initiatives to increase non-oil revenue, which rose from SR166bn in 2015 to SR369bn in 2020, Al-Jadaan said. The minister said that Saudi Arabia has saved SR500bn over the last four years until mid-2021, backed by its spending efficiency efforts. (Zawya)
- **APICORP sukuk program given expected AA rating by Fitch** – APICORP, the multilateral development bank set up by Arab oil producers, has received a rating of AA(EXP) by Fitch for its sukuk program. APICORP Sukuk Ltd. (ASL) is incorporated in the Cayman Islands with the sole purpose of issuing Islamic debt. The final rating is contingent on Fitch receiving documents that support information already provided. ASL is expected to receive the same AA rating as APICORP as a default in the sukuk program would be considered a default in the parent, Fitch said. APICORP's rating is based on Fitch's solvency and liquidity assessment and a "medium risk" business environment. (Zawya)
- **BloombergQuint: US pension fund to vote against Aramco chair for Reliance board** – The California State Teachers' Retirement Fund (CalSTRS) has decided to vote against the appointment of Saudi Aramco's chairman as an independent director to the board of Mukesh Ambani's Reliance Industries, BloombergQuint reported. The U.S. pension fund held 5.3mn fully and partly paid shares of Reliance Industries, as of June 30, 2020, according to the last available disclosure on its website. CalSTRS' voting decision is based on U.S. proxy advisory research firm Glass Lewis' recommendation, BloombergQuint reported on Friday. (Reuters)
- **UAE's Mubadala to sell stake in Spanish miner MATSA** – Sandfire Resources Ltd, an Australian copper mining company, said on Thursday it is set to buy the Minas De Aguas Teñidas (MATSA) mining complex in Spain from Abu Dhabi's sovereign investor Mubadala Investment Company and global commodities trader Trafigura Group for \$1.87bn. The acquisition is fully funded through a combination of cash, debt and equity, Sandfire which is listed on the Australian Securities Exchange, said in a disclosure. Mubadala, which has over \$243bn of assets under management, acquired its stake in Trafigura's flagship MATSA as part of a joint venture to invest in the base metals mining sector. MATSA owns the Aguas Teñidas, Sotiel and Magdalena mines in southern Spain which produce copper, zinc and lead concentrates, with silver by-products. (Zawya)

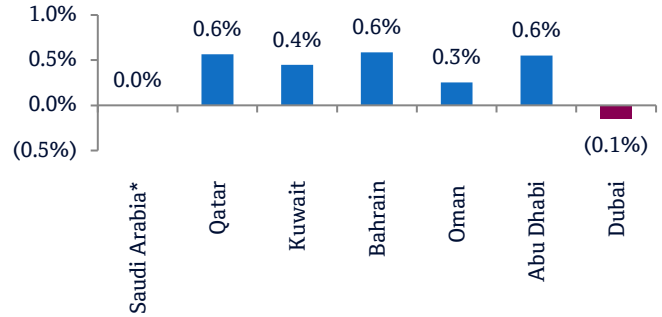
- UAE central bank starts gradual curb of COVID-19 stimulus measures** – The UAE central bank (CBUAE) said on Thursday it was starting to gradually withdraw stimulus measures introduced last year to mitigate the economic impact of the COVID-19 pandemic. The bank launched a Targeted Economic Support Scheme (TESS) to help banks provide temporary relief to companies and individuals affected by the crisis and boost lending capacity through the relief of existing capital and liquidity buffers. "In view of the gradual increase in economic activity, the CBUAE is starting a gradual and well-calibrated withdrawal of its Targeted Economic Support Scheme to avoid restricting credit supply and economic growth", it said in a statement. (Reuters)
- UAE allocates AED65bn to Emirati housing program in Dubai** – Dubai Ruler Sheikh Mohammed bin Rashid Al Maktoum has approved the allocation of AED65bn to a housing program for Emirati citizens in Dubai, to be spent over the next two decades, according to a statement from the Dubai Media Office. Sheikh Mohammed, who is also prime minister of the UAE, issued directives to quadruple the number of Emiratis benefiting from the housing program from next year, and to increase the land plots allocated to Emirati housing projects in Dubai to 1.7bn square feet. (Zawya)
- DAMAC founder gets regulatory approval to go private** – The founder of DAMAC Properties is relaunching a partial offer to take the firm private after the securities regulator of the UAE granted approval, according to a statement on Thursday. Maple Invest Co Limited, the vehicle backed by DAMAC founder Hussain Sajwani, said in a statement disclosed in a DAMAC exchange filing that an update to the original \$595mn offer made in June is expected within two weeks. The updated offer "will only address process points and not affect the material parameters of the offer, including the offer price which remains at AED 1.30 per share," Maple Invest said. (Reuters)
- Fitch Affirms Azizi at 'B'; Withdraws Rating** – Fitch Ratings has affirmed Dubai-developer Azizi Developments LLC's Long-Term Issuer Default Rating (IDR) at 'B'. The Outlook is Negative. Fitch has subsequently withdrawn the rating. (Fitch-ratings)
- UAE central bank approves Wizz Financial's acquisition of UAE Exchange** – Financial technology firm Wizz Financial said on Thursday the UAE central bank had approved its acquisition of currency firm UAE Exchange, a unit of troubled London-listed payment firm Finabl which Wizz agreed to buy last year. UAE Exchange, which engages in money transfers, foreign exchange and payments services, was seized by the central bank in March last year after it ran into financial troubles. The firm suspended all new transactions at its more than 150 branches in the Gulf country. (Reuters)
- Abu Dhabi, Dubai innovate to boost UAE's startup ecosystem** – Abu Dhabi and Dubai are driving growth of UAE's startup ecosystem and positioning it as a leader in the META region to rival the best performing ecosystems in the world, says Youssouf Kamal, industry 4.0 programme manager, Plug and Play Abu Dhabi. "At Plug and Play, we are noticing a growing interest of international investors for startups from the UAE. We have invested ourselves in many, and are looking to grow our investments in UAE startups in the coming years. In Abu Dhabi, we have seen in the past few years the emergence of a multitude of initiatives aiming to strengthen the ecosystem, tackling upfront the bottlenecks that were undermining the emergence of a strong startup hub in the region," Kamal said. (Zawya)
- Dubai ruler's son becomes UAE finance minister in cabinet rejig** – The UAE appointed Dubai ruler's son as the country's finance minister as part of a broader reorganization intended to speed up the pace of change in the Gulf nation. Sheikh Maktoum bin Mohammed will also hold the role of a deputy prime minister, according to tweets from Dubai's ruler on Saturday. As finance minister, he fills a position left vacant after the death in March of Sheikh Hamdan bin Rashid. The changes would help the government focus on its priorities and "keep up with the coming stage of changes and challenges," said Sheikh Mohammed bin Rashid Al Maktoum, the UAE prime minister and ruler of Dubai. He said government work will now be "driven by large transformative projects, not only long-term strategic plans." (Bloomberg)
- Dubai turns page on covid with hottest jobs market in two years** – What may have been the steepest population decline in the Gulf region is giving way to the hottest jobs market Dubai has seen since China detected its first coronavirus case in December 2019. A turnaround in employment took hold this summer and spread as looser travel restrictions revived business. But while headcounts are swelling with freshly recruited cooks and cabin crew, the economy of the Middle East's commercial center is facing a fraught path to normalcy. The lifting of curbs between Dubai and countries such as the UK, the US and Saudi Arabia will have a "massive impact," with about 27mn people passing through this year alone, Dubai Airports CEO Paul Griffiths told Bloomberg Television this week. While labor shortages and hiring difficulties hold back the labor market in parts of Europe and employment is dropping in countries like Australia after the delta variant of coronavirus forced lockdowns, the oil-rich Gulf region can lean on foreign workers to fill most private-sector jobs. Businesses in Dubai's travel and tourism industry in August saw the sharpest increases in activity and new work in over two years, according to a Purchasing Managers' Index compiled by IHS Markit. (Bloomberg)
- Abu Dhabi's wealth funds weigh Turkey investments worth billions** – Wealth funds in Abu Dhabi are on the prowl in Turkey, scouting for targets for billions of dollars in investments, according to people familiar with the matter. Talks between the funds from the oil-rich capital of the UAE and companies in Turkey have been ongoing for months, the people said. The interest preceded a breakthrough phone conversation in August between Abu Dhabi Crown Prince Sheikh Mohammed Bin Zayed Al Nahyan and Turkish President Recep Tayyip Erdogan, amid increasing signs of a thawing of relations. The investment discussions provide further evidence of a turnaround in ties between the two countries that have been at loggerheads for much of the past decade over everything from Islamist movements to the conflicts in Syria and Libya. Possible deals could revive an investment pipeline that sputtered amid longstanding tensions stemming from Turkey's support for the Muslim Brotherhood, an Islamist group banned in the UAE. Relations reached a nadir in 2016 when Turkish state media accused the UAE of supporting a coup attempt against Erdogan. (Bloomberg)
- Alpha Dhabi acquires 95% of emirates getaway security services** – Alpha Dhabi Holding has completed the process of acquiring 95% of the shares of the capital of Emirates Getaway Security Services LLC, the company says in a statement. (Bloomberg)
- Kuwait's Warba Bank to issue \$250mn sukuk** – Warba Bank, a Kuwait-based Islamic Bank, is preparing to issue another sukuk to boost its capital base, according to a bourse filing on Thursday. In a statement to Boursa Kuwait, the bank said it had received an initial approval from Central Bank of Kuwait on Wednesday to issue Additional Tier 1 securities in the amount of \$250mn. The final approval on the issuance will be obtained from the central bank after submitting the final prospectus of the sukuk, the lender said. (Zawya)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,750.42	0.4	(0.2)	(7.8)
Silver/Ounce	22.42	(0.4)	0.2	(15.1)
Crude Oil (Brent)/Barrel (FM Future)	78.09	1.1	3.7	50.8
Crude Oil (WTI)/Barrel (FM Future)	73.98	0.9	2.8	52.5
Natural Gas (Henry Hub)/MMBtu	5.03	2.4	(4.4)	110.5
LPG Propane (Arab Gulf)/Ton	133.50	(0.6)	0.2	77.4
LPG Butane (Arab Gulf)/Ton	151.00	(0.3)	0.7	117.3
Euro	1.17	(0.2)	(0.0)	(4.1)
Yen	110.73	0.4	0.7	7.2
GBP	1.37	(0.3)	(0.5)	0.1
CHF	1.08	0.0	0.9	(4.3)
AUD	0.73	(0.5)	(0.0)	(5.6)
USD Index	93.33	0.3	0.1	3.8
RUB	72.75	(0.1)	(0.2)	(2.2)
BRL	0.19	(0.6)	(0.9)	(2.6)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,103.53	(0.1)	0.2	15.4
DJ Industrial	34,798.00	0.1	0.6	13.7
S&P 500	4,455.48	0.1	0.5	18.6
NASDAQ 100	15,047.70	(0.0)	0.0	16.8
STOXX 600	463.29	(1.1)	0.2	11.3
DAX	15,531.75	(1.0)	0.2	7.9
FTSE 100	7,051.48	(0.9)	0.8	9.4
CAC 40	6,638.46	(1.2)	1.0	14.6
Nikkei	30,248.81	1.0	(1.5)	2.8
MSCI EM	1,265.10	(0.6)	(1.1)	(2.0)
SHANGHAI SE Composite	3,613.07	(0.9)	(0.0)	5.0
HANG SENG	24,192.16	(1.3)	(3.0)	(11.5)
BSE SENSEX	60,048.47	0.3	1.5	24.5
Bovespa	113,282.70	(1.5)	0.7	(7.8)
RTS	1,747.56	(0.3)	0.1	26.0

Source: Bloomberg (\*\$ adjusted returns)

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