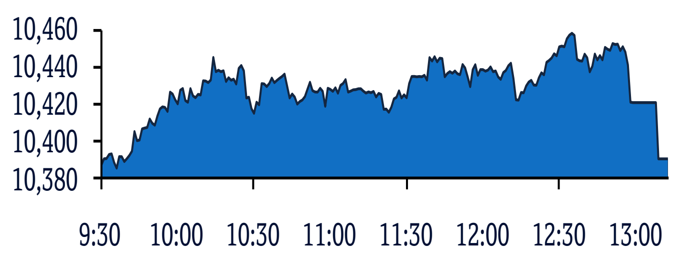
# Daily Market Report

Thursday, 03 December 2020

## QSE Intra-Day Movement




## Qatar Commentary

The QE Index declined marginally to close at 10,391.9. Losses were led by the Banks & Financial Services and Telecoms indices, falling 0.8% and 0.7%, respectively. Top losers were QNB Group and Ahli Bank, falling 1.6% and 1.2%, respectively. Among the top gainers, INMA Holding gained 10.0%, while Baladna was up 4.8%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.3% to close at 8,694.1. Losses were led by the Transportation and Food & Staples Retailing indices, falling 1.7% and 1.5%, respectively. Anaam International Holding declined 9.9%, while Saudi Paper Manufacturing Company was down 8.4%.

**Dubai:** Market was closed on December 02, 2020.

**Abu Dhabi:** Market was closed on December 02, 2020.

**Kuwait:** The Kuwait All Share Index gained 0.9% to close at 5,462.2. The Oil & Gas index rose 2.2%, while the Consumer Goods index gained 1.6%. Burgan Company for Well Drilling, Trading & Maintenance rose 21.1%, while Inovest Company was up 13.0%.

**Oman:** The MSM 30 Index fell 0.3% to close at 3,633.6. Losses were led by the Financial and Services indices, falling 0.4% and 0.2%, respectively. Majan College declined 7.9%, while National Life & General Insurance Company was down 6.6%.

**Bahrain:** The BHB Index gained 0.8% to close at 1,494.0. The Industrial index rose 6.3%, while the Commercial Banks index gained 0.6%. Aluminium Bahrain rose 6.5%, while Bahrain Commercial Facilities Company was up 2.1%.

| Market Indicators | 02 Dec 20 | 01 Dec 20 | %Chg. |
|---|---|---|---|
| Value Traded (QR mn) | 858.1 | 570.9 | 50.3 |
| Exch. Market Cap. (QR mn) | 597,628.8 | 598,572.2 | (0.2) |
| Volume (mn) | 391.9 | 237.0 | 65.4 |
| Number of Transactions | 14,669 | 13,070 | 12.2 |
| Companies Traded | 47 | 45 | 4.4 |
| Market Breadth | 31:13 | 31:14 | – |

| Market Indices | Close | 1D% | WTD% | YTD% | TTM P/E |
|---|---|---|---|---|---|
| Total Return | 19,978.00 | (0.0) | 1.0 | 4.1 | 17.7 |
| All Share Index | 3,188.38 | (0.2) | 0.8 | 2.9 | 18.2 |
| Banks | 4,238.79 | (0.8) | 0.3 | 0.4 | 15.0 |
| Industrials | 3,112.28 | 0.2 | 1.9 | 6.1 | 27.8 |
| Transportation | 3,187.01 | 1.2 | (1.2) | 24.7 | 14.6 |
| Real Estate | 1,875.72 | 1.0 | 2.1 | 19.9 | 16.6 |
| Insurance | 2,529.20 | 0.5 | 4.1 | (7.5) | N.A. |
| Telecoms | 931.55 | (0.7) | 0.4 | 4.1 | 13.9 |
| Consumer | 8,223.33 | 0.7 | 1.0 | (4.9) | 24.3 |
| Al Rayan Islamic Index | 4,252.13 | 0.4 | 1.6 | 7.6 | 19.4 |

| GCC Top Gainers## | Exchange | Close# | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|---|
| Aluminium Bahrain | Bahrain | 0.53 | 6.5 | 1,103.7 | 26.1 |
| Agility Public Wareh. Co. | Kuwait | 0.66 | 2.8 | 4,610.8 | (7.1) |
| Ezdan Holding Group | Qatar | 1.68 | 2.6 | 49,618.3 | 172.4 |
| Dr Sulaiman Al Habib | Saudi Arabia | 115.00 | 2.5 | 903.4 | 130.0 |
| Mabanee Co. | Kuwait | 0.64 | 2.1 | 3,918.0 | (24.9) |

| GCC Top Losers## | Exchange | Close# | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|---|
| Bank Dhofar | Oman | 0.10 | (2.0) | 55.3 | (18.7) |
| QNB Group | Qatar | 18.00 | (1.6) | 3,853.7 | (12.6) |
| Bupa Arabia for Coop. Ins. | Saudi Arabia | 121.60 | (1.5) | 145.1 | 18.8 |
| Yanbu National Petro. Co. | Saudi Arabia | 60.40 | (1.3) | 420.9 | 8.1 |
| Almarai Co. | Saudi Arabia | 55.20 | (1.3) | 459.4 | 11.5 |

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% |
|---|---|---|---|---|
| INMA Holding | 4.27 | 10.0 | 8,251.7 | 124.7 |
| Baladna | 1.97 | 4.8 | 32,512.5 | 97.0 |
| Qatari German Co for Med. Devices | 2.00 | 4.4 | 50,385.3 | 243.6 |
| Qatar First Bank | 1.76 | 3.7 | 15,790.0 | 114.5 |
| Dlala Brokerage & Inv. Holding Co. | 2.00 | 3.4 | 7,512.1 | 226.7 |

| QSE Top Losers | Close* | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|
| QNB Group | 18.00 | (1.6) | 3,853.7 | (12.6) |
| Ahli Bank | 3.25 | (1.2) | 53.5 | (2.5) |
| Medicare Group | 8.90 | (1.1) | 117.1 | 5.3 |
| Al Khalij Commercial Bank | 1.88 | (0.9) | 4,638.2 | 43.5 |
| Ooredoo | 6.74 | (0.9) | 2,041.6 | (4.8) |

| QSE Top Volume Trades | Close* | 1D% | Vol. '000 | YTD% |
|---|---|---|---|---|
| Qatari German Co for Med. Devices | 2.00 | 4.4 | 50,385.3 | 243.6 |
| Ezdan Holding Group | 1.68 | 2.6 | 49,618.3 | 172.4 |
| Qatar Aluminium Manufacturing | 1.00 | 1.0 | 38,370.2 | 28.0 |
| Investment Holding Group | 0.58 | 1.0 | 37,673.8 | 3.0 |
| Baladna | 1.97 | 4.8 | 32,512.5 | 97.0 |

| QSE Top Value Trades | Close* | 1D% | Val. '000 | YTD% |
|---|---|---|---|---|
| Qatari German Co for Med. Dev. | 2.00 | 4.4 | 103,764.8 | 243.6 |
| Ezdan Holding Group | 1.68 | 2.6 | 83,637.4 | 172.4 |
| Qatar Gas Transport Co. Ltd. | 3.18 | 1.6 | 71,086.8 | 33.1 |
| QNB Group | 18.00 | (1.6) | 69,719.8 | (12.6) |
| Baladna | 1.97 | 4.8 | 63,282.8 | 97.0 |

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* | 10,391.86 | (0.0) | 1.0 | 1.3 | (0.3) | 231.32 | 161,061.0 | 17.7 | 1.5 | 3.8 |
| Dubai# | 2,419.60 | 0.8 | (0.0) | 10.6 | (12.5) | 161.83 | 91,677.3 | 11.3 | 0.8 | 4.0 |
| Abu Dhabi# | 4,964.94 | (0.4) | (0.1) | 6.5 | (2.2) | 348.24 | 196,896.0 | 19.2 | 1.4 | 4.9 |
| Saudi Arabia | 8,694.13 | (0.3) | 0.0 | (0.6) | 3.6 | 3,143.54 | 2,471,275.5 | 32.9 | 2.1 | 2.4 |
| Kuwait | 5,462.19 | 0.9 | (1.7) | 0.0 | (13.1) | 144.88 | 98,822.1 | 36.2 | 1.3 | 3.6 |
| Oman | 3,633.63 | (0.3) | 0.3 | (0.3) | (8.7) | 2.33 | 16,482.6 | 10.9 | 0.7 | 6.9 |
| Bahrain | 1,493.98 | 0.8 | 1.8 | 1.1 | (7.2) | 3.95 | 22,639.6 | 14.5 | 1.0 | 4.5 |

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 November 30, 2020)

## Qatar Market Commentary

- The QE Index declined marginally to close at 10,391.9. The Banks & Financial Services and Telecoms indices led the losses. The index fell on the back of selling pressure from Qatari and Arab shareholders despite buying support from GCC and Foreign shareholders.
- QNB Group and Ahli Bank were the top losers, falling 1.6% and 1.2%, respectively. Among the top gainers, INMA Holding gained 10.0%, while Baladna was up 4.8%.
- Volume of shares traded on Wednesday rose by 65.4% to 391.9mn from 237.0mn on Tuesday. Further, as compared to the 30-day moving average of 244.4mn, volume for the day was 60.4% higher. Qatari German Company for Medical Devices and Ezdan Holding Group were the most active stocks, contributing 12.9% and 12.7% to the total volume, respectively.

| Overall Activity | Buy %* | Sell %* | Net (QR) |
|---|---|---|---|
| Qatari Individuals | 46.73% | 46.91% | (1,586,456.3) |
| Qatari Institutions | 13.23% | 21.68% | (72,437,672.1) |
| **Qatari** | **59.96%** | **68.59%** | **(74,024,128.5)** |
| GCC Individuals | 1.30% | 0.57% | 6,296,374.4 |
| GCC Institutions | 1.35% | 1.74% | (3,331,929.6) |
| **GCC** | **2.65%** | **2.31%** | **2,964,444.9** |
| Arab Individuals | 9.37% | 9.80% | (3,774,852.6) |
| Arab Institutions | – | 0.37% | (3,170,411.0) |
| **Arab** | **9.37%** | **10.17%** | **(6,945,263.6)** |
| Foreigners Individuals | 2.55% | 2.85% | (2,605,078.1) |
| Foreigners Institutions | 25.48% | 16.09% | 80,610,025.3 |
| **Foreigners** | **28.03%** | **18.94%** | **78,004,947.2** |

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

## Ratings and Global Economic Data

### Ratings Updates

| Company | Agency | Market | Type* | Old Rating | New Rating | Rating Change | Outlook | Outlook Change |
|---|---|---|---|---|---|---|---|---|
| Arabian Centres Co Ltd | Fitch | Saudi Arabia | LT-IDR | BB+ | BB+ | – | Negative | ↓ |

Source: News reports, Bloomberg (* LT – Long Term, IDR – Issuer Default Rating)

### Global Economic Data

| Date | Market | Source | Indicator | Period | Actual | Consensus | Previous |
|---|---|---|---|---|---|---|---|
| 12/02 | US | Mortgage Bankers Association | MBA Mortgage Applications | 27-Nov | -0.6% | – | 3.9% |
| 12/02 | EU | Eurostat | PPI MoM | Oct | 0.4% | 0.2% | 0.4% |
| 12/02 | EU | Eurostat | PPI YoY | Oct | -2.0% | -2.3% | -2.3% |

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

## News

### Qatar

- **Saudi Arabia, Qatar near agreement in Gulf crisis –** Qatar and Saudi Arabia are close to striking a preliminary agreement to end a dispute that has pitted the Gulf neighbors against each other for more than three years, sources told Al Jazeera. The expected deal comes after US President Donald Trump's adviser Jared Kushner arrived in the Gulf region as part of a last-ditch effort to resolve the Gulf crisis, before the Trump administration leaves office in January. Kushner's tour included meetings with Saudi Crown Prince Mohammed bin Salman in Riyadh earlier this week, and with the Emir of Qatar, Sheikh Tamim bin Hamad Al Thani, in Doha on Wednesday. Kushner has since left Qatar, Al Jazeera has learned. The Wall Street Journal (WSJ) quoted US officials as saying that the main focus of the talks would be to resolve a dispute over allowing Qatari planes to fly through the airspace of Saudi Arabia and the UAE. (ALJAZEERA)
- **BRES appoints Al Sharafi as Acting CEO of Waseef –** Barwa Real Estate Group (BRES) appointed Saleh Abdallah Al Sharafi as Acting CEO of Waseef Company, a fully owned asset management subsidiary of Barwa Real Estate. Al Sharafi is considered one of the Qatari competencies. He held a number of positions in Waseef, the latest of which was Director of Portfolio. BRES also extends its thanks to the former CEO for his efforts in managing the company during his tenure, wishing him success in his new job. (QSE)
- **Exports by private sector exceed QR11bn in first nine months –** The total value of exports by Qatar's private sector in the first nine months of 2020 amounted to QR11bn, Qatar Chamber (QC) has said in a report as part of an economic newsletter for

November 2020. Exports by the private sector in 3Q2020 reached QR2.83bn compared to QR2.15bn in the second quarter, an increase of 32%. According to the report, the trade of private sector during September according to the certificate of origin issued by the chamber reached QR1bn, showing an increase of 17% compared to August. The QC reports indicated that exports through GSP model certificate of origin has the largest value in September, increasing 128% MoM compared to August 2020, followed by exports through the Unified Arab model by 18% and Unified GCC model by 4%. There were no goods exported through the Unified GCC certificate of origin for exporting to Singapore, while exports through the General Model decreased by 9%. According to the type of commodities, there are nine main commodities that represented 98% of the total volume of the private sector exports during September. Private sector's exports of Helium gas and industrial gas have seen a sharp increase of 434% from QR33mn in August to QR176mn in September, followed by Paraffin which increased by 96% from QR40mn in August to QR78mn in September and petrochemicals with exports amounted to QR50mn in August compared to QR77mn in September, an increase of 96%. In September 2020, total exports (including exports of goods of domestic origin and re-exports) amounted to QR13.4bn, showing slight decrease of 4.3% compared to QR14bn in August, while imports during the same month amounted to around QR7bn, or a 1.4% drop compared to QR7.1bn in August. (Qatar Tribune, Gulf-Times.com)

- **Real estate deals cross QR297mn between November 22-26 –** Real estate deals worth QR297.75mn took place in Qatar between November 22 and November 26, according to the sales contracts registered with the Real Estate Registration Department of the Ministry of Justice. The deals included plots of land, houses, multi-use and residential buildings and the majority of the trading took place in Al Dhayain , Doha, Al Rayyan, Al Wakra, Umm Salal, Al Khor, Al Dhakhira and Al Shamal municipalities. (Qatar Tribune)
- **Oxford Economics: The 2022 World Cup to strengthen economic momentum in Qatar –** The 2022 World Cup is expected to strengthen the economic momentum in Qatar, which has the strongest public finances in the Gulf region, according to Oxford Economics. "Qatar is in the final stages of preparing the 2021 budget, which the authorities pledged would be based on a $40 per barrel oil price, suggesting limited fiscal headroom," Oxford Economics said in a research note on the Middle East and North African economy. Nevertheless, public spending is likely to increase with more traditional fiscal support as Qatar ramps up its preparation for the FIFA World Cup football in 2022, it said. Oxford Economics highlighted that Qatar government's finances are in good health and it has the smallest budget deficit in the GCC and has tapped the market by issuing a $10bn bond. The research note said Qatar is also encouraging foreign participation in the economy to stimulate the recovery. The recently-approved property ownership law should give it a competitive advantage over GCC peers. Non-Qataris will now be able to secure residency for themselves and their families if they purchase residential or commercial units in malls worth $200,000 or more in 25 designated areas. An investment of $1mn will come with a permanent residency. This scheme comes on the heels of more flexible laws regulating employment and foreign investment. (Gulf-Times.com)
- **QATI subsidiary, Qatar Life & Medical Insurance company, intends to float IPO on January 06 –** Qatar Life & Medical Insurance company (QLM), a subsidiary of listed Qatar Insurance Company (QATI) has officially published its intention to float on the Qatar Stock Exchange on January 06, 2021. The offer will be QR3.15, resulting from the division of QLM's market capitalization at IPO by the number of QLM's post-conversion shares (350,000,000 shares). The Offering Price consists of the nominal value per share of QR1, a premium of QR2.14 and offering and listing fee of QR0.01 per offer share. A total of 210,000,000 shares are being offered for subscription, equivalent to 60% of QLM Life & Medical Insurance Company QPSC's share capital, at QR3.15 per share making the total size of the Offering QR659,400,000. The implied market capitalization at IPO is QR1,099,000,000. QATI will retain a 25% shareholding in QLM post-IPO. Minimum application is 500 shares for individual and corporate investors. Maximum application is 17.5mn shares (equivalent to 5% of total issued share capital). Eligible investors include Qatari citizens and legal entities incorporated in Qatar. The lead receiving bank include: QNB Group while other receiving banks are: CBQK, ABQK, DHBK, KCBK. The IPO subscription period is open from December 10, 2020 to December 23, 2020. (Gulf-Times.com)
- **MoCI puts 10% cap on service charge for display, marketing of local products –** The Ministry of Commerce and Industry (MoCI) has outlined the maximum service fees to be imposed by retail outlets for the display and marketing of locally produced or packaged food and consumer goods at 10% of their sale value. This came in the decision No. 6 of 2020 issued by the Committee that Sets Maximum Prices and Profit Ratios, on capping the services fees charged for displaying and marketing locally produced or packaged food and consumer goods. "The decision was issued within the framework of the Ministry's efforts to bolster the national industrial environment, consolidate the achievements of local industries and to support national products and showcase their quality," said Director of the Quality Licensing and Market Monitoring Department at MoCI, Mohamed Ahmed Bouhashem Al Sayed. Al Sayed was speaking in a press conference held at the headquarters of the Ministry yesterday. (Peninsula Qatar)

**International**

- **Fed sees little to no growth in much of US as stress mounts –** Federal Reserve officials saw "little or no growth" in four of their 12 regional districts and only modest growth in the others in recent weeks as a rapidly spreading health crisis and ongoing recession continued to devastate some US businesses and families even as many others thrive. In the US central bank's latest "Beige Book" compendium of anecdotes from businesses across the country, Fed officials seemed to signal that the winter slowdown they have feared would follow a new coronavirus outbreak is taking root. Earlier on Wednesday, Fed Chair Jerome Powell repeated his plea for Congress to provide more aid to "get us through the winter" and support businesses and households until a vaccine allows for a broader resumption of commerce. Initial inoculations may begin in the US this month. Members of Congress and the Trump administration have resumed discussions over a possible aid package, but with no guarantee that a longstanding impasse will be broken during President Donald Trump's final weeks in office. Meanwhile, the pandemic is spreading at a rate of a million new cases a week and around 1,500 deaths a day. In some places that has led officials to impose new restrictions on businesses and social gatherings. In others, households have pulled back on their own. But overall it has left little capacity to fix problems that have plagued the economy since the onset of the pandemic last spring, with women sidelined from the workforce due to childcare concerns, leisure and hospitality firms semi-shuttered, and banks concerned their loans books may come under stress soon. (Reuters)

- **US private payrolls miss expectations as COVID-19 infections spread –** US private payrolls increased less than expected in November as soaring new COVID-19 infections led to a wave of business restrictions, adding to signs of slowing economic activity as a turbulent year winds down. The slowdown in private hiring in the ADP National Employment Report on Wednesday puts pressure on Congress to agree on additional fiscal stimulus to aid the recovery from the worst recession since the Great Depression. Republicans and Democrats in Congress remained unable to reach agreement on a fresh relief package on Wednesday, with top Republicans supporting what the Senate's top Democrats dismissed as an "inadequate, partisan proposal." President-elect Joe Biden will inherit a struggling labor market and public health crisis when he takes over from President Donald Trump on January 20. Private payrolls rose by 307,000 jobs last month after increasing 404,000 in October. Economists polled by Reuters had forecast private payrolls would rise by 410,000 in November. The slowdown in hiring last month was across all industries. The leisure and hospitality sector, hardest hit by the coronavirus pandemic, added 95,000 jobs. Construction employment increased by 22,000 jobs and manufacturers hired 8,000 workers. There were employment gains in financial activities, professional services, education and healthcare sectors. The information industry added no jobs. (Reuters)
- **UK approves Pfizer-BioNTech COVID-19 vaccine in world first –** Britain approved Pfizer Inc's COVID-19 vaccine on Wednesday, jumping ahead of the rest of the world in the race to begin the most crucial mass inoculation program in history. Prime Minister Boris Johnson touted the green light from Britain's medicine authority as a global win and a ray of hope for the end of the pandemic, though he recognized the logistical challenges of vaccinating an entire country of 67mn. Britain's move raised hopes that the tide could soon turn against a virus that has killed nearly 1.5mn people globally, hammered the world economy and upended normal life for billions since it emerged in Wuhan, China, a year ago. Britain's Medicines and Healthcare products Regulatory Agency (MHRA) granted emergency use approval to the vaccine developed by Pfizer and German biotechnology partner BioNTech, which they say is 95% effective in preventing illness, just 23 days after Pfizer published the first data from its final stage clinical trial. International drug makers and researchers have been racing to develop vaccines for months and Britain's authorization coming first may be seen as a coup for a government that has faced criticism over its handling of the crisis. US and EU regulators are sifting through the same Pfizer vaccine trial data, but have yet to give their approval. Britain's swift decision drew criticism from Brussels where, in an unusually blunt statement, the EU regulator said its longer procedure was more appropriate and based on more evidence. (Reuters)
- **Eurozone producer prices up in October, unemployment falls –** Eurozone producer prices rose more than expected month-on-month in October and unemployment fell as the economy continued to recover before the second wave of the COVID-19 pandemic struck, data showed on Wednesday. The European Union's statistics office Eurostat said prices at factory gates in the 19 countries sharing the euro rose 0.4% MoM for a 2.0% YoY decline. Economists polled by Reuters had expected a 0.2% monthly increase and a 2.4% annual fall. Producer prices are an early indication of final prices paid by consumers, which the European Central Bank wants to keep below, but close to 2% over the medium term, but has failed to reach that target for the past eight years. Energy costs were the main factor driving producer price index in October, as energy prices rose 1.4% on the month for a 7.6% YoY fall. Without that volatile component, prices at factory gates rose 0.1% on the month and fell 0.2% on the year. Separately, Eurostat said Eurozone unemployment fell by 86,000 people to 13.825mn or 8.4% of the workforce from 8.5% in September. (Reuters)
- **Eurozone economy to gain momentum in 2021 on vaccine hopes –** The Eurozone economy will contract again this quarter as renewed lockdown measures stifle activity, according to a Reuters poll which showed the bloc's GDP would then return to pre-crisis levels within two years. Hopes for a coronavirus vaccine and additional support from the European Central Bank this month meant quarterly growth forecasts for next year were upgraded in the poll conducted from November 26-December 2. Nearly 80% of respondents, or 36 of 45, who replied to an extra question said the economy would return to pre-crisis levels within two years. That was a major turnaround in expectations from August when more than 70% of economists said it would take two or more years to reach that level. The wider poll showed after contracting 2.6% this quarter, the economy would grow 1.1% in the first quarter of 2021 compared with 0.8% in the last poll. It was then predicted to expand 2.0% and 1.8% in 2Q2021 and 3Q2021, better than median predictions of 1.8%, 1.2% in November. On an annual basis, the economy was expected to shrink 7.4% this year, and grow 5.0% in 2021 largely unchanged from the last poll. For 2022, the growth forecast was upgraded to 3.5% from 3.1%. That pick-up in growth will not filter through to inflation which was expected to remain far below the European Central Bank's target of just below 2%, averaging 0.3% in 2020. 0.9% in 2021 and 1.3% in 2022. Having remained in negative territory for the fourth straight month in November, inflation is likely to be a point of focus when the ECB's Governing Council meets next week. The ECB has launched a strategic review after years of inflation undershooting its target and nearly 80% of respondents to an extra question, or 33 of 43 economists, said the ECB would change its inflation target. (Reuters)
- **German retail sales rebound before partial lockdown –** German retail sales rebounded more than expected in October, data showed on Wednesday, as consumers stocked up on essentials before a second partial lockdown to contain the coronavirus. Germany's restaurants, bars, entertainment venues and gyms

have been closed since November 2 in an attempt to slow the pandemic's spread. Schools, factories and shops remain open with social distancing conditions.  Retail sales - a notoriously volatile indicator often subject to revisions - rose 2.6% month on month and 8.2% YoY in October in real terms, the Federal Statistics Office said. Both figures beat Reuters forecast. The MoM data followed an upwardly revised drop of 1.9% in September and, compared with February - the month before the pandemic started in Germany - sales were 5.9% higher. Demand was particularly strong for food, furnishings and household appliances. The strong food sales could have been due to expectations of renewed lockdown measures which means more consumers are having meals at home, said economist Oliver Rakau from Oxford Economics. Non-essential retail sales were likely to tumble in November, but online sales should hold up well, he added. (Reuters)

- **Merkel: Germany to extend COVID restrictions until January 10 –** Germany will extend restrictive measures designed to slow the spread of the coronavirus until January 10, Chancellor Angela Merkel said on Wednesday after talks state leaders. "The states will extend their measures from December 20 until January 10," said Merkel. "In principle things will remain as they are." (Reuters)
- **China's manufacturing recovery masks strains on smaller factories, export uncertainty –** Chinese industrial activity has snapped back to pre-coronavirus growth levels, with factory surveys hitting multi-year highs in November, but the headline expansion masks struggles for smaller firms and looming pressures for exporters. Readings from the official and Caixin's Purchasing Managers Indexes hit three- and 10-year highs respectively last month, a reflection of the industrial sector's strong overall recovery. Official data also shows industrial profits for large firms grew at their fastest pace since 2017 in October. Equipment, electronics and auto manufacturing have performed particularly well, helped by state subsidies targeting consumption of cars and white goods. But behind the strong headline numbers, many smaller firms, which employ the majority of China's workforce and are traditionally its collective engine of industry, are still struggling, say official data and analysts. Following a string of supportive measures this year, China's central bank has shifted to a more steady stance as the economy rebounds. After a string of high-profile bond defaults, the PBOC this week unexpectedly injected 200bn Yuan ($30.4bn) through its one-year medium-term lending facility, in an apparent bid to soothe market nerves. (Reuters)
- **India's November trade deficit narrows to $9.96bn –** India's trade deficit in November fell 21.93% from a year ago to $9.96bn, provisional trade data released by the government showed on Wednesday, as imports fell sharply compared to fall in exports. Merchandise imports contracted 13.33% in November to $33.39bn from a year ago while exports fell 9.07% to $23.43bn, data released by the Ministry of Commerce and Industry showed. (Reuters)

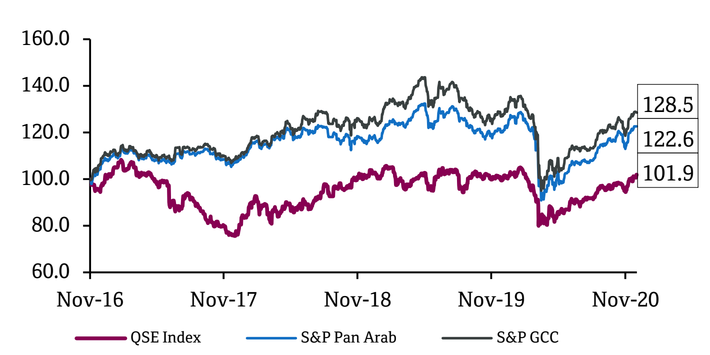
**Regional**

- **OPEC+ resumes talks on 2021 oil policy amid disagreements –** OPEC and Russia resume talks on Thursday in a bid to define policies for 2021 after an initial round of discussions this week failed to bring a compromise on how to tackle weak oil demand amid a second coronavirus wave. The group of OPEC and allies, known as OPEC+, had been widely expected to roll over existing oil cuts of 7.7mn bpd, or 8% of global supplies, at least until March 2021. But after hopes for a speedy approval of anti-virus vaccines spurred an oil price rally at the end of November, several producers started questioning the need to tighten oil policy, advocated by OPEC leader Saudi Arabia. OPEC+ sources have said Russia, Iraq, Nigeria and the UAE have all to a certain extent expressed interest in supplying the market with more oil in 2021. "Things are heading towards a compromise," an OPEC delegate said. Two other sources were less optimistic, saying more talks were needed to overcome the differences. "We understand that there has been tentative progress in discussions between OPEC+ members today and that ministers are inching closer to a compromise that should break the impasse," Energy Aspects said in a note. Sources have said options now range from a rollover of existing policies to proposals to ease cuts by 0.5mn bpd per month from January. (Reuters)
- **Saudi Aramco says pump malfunctioned at petroleum derivatives distribution station in Jazan –** Saudi Aramco announced on Wednesday a malfunction in one of the pumps at the petroleum derivatives distribution station in Saudi Arabia's southern Jazan region, state news agency (SPA) said. The state oil giant said "its technical teams are working around the clock to fix the technical malfunction, as soon as possible, and provide the petroleum products that the Jazan region needs from the station, without interruption, as the supply of petroleum products has gradually returned," SPA said. (Reuters)
- **Tadawul, IHS Markit develop local currency Sukuk indices –** The Saudi Stock Exchange (Tadawul) has developed, in collaboration with IHS Markit, a broader local currency-denominated benchmark index, iBoxx Tadawul SAR Government Sukuk & Bond Index, and iBoxx Tadawul SAR Government Sukuk Index Series, which is divided into maturity sub-indices. The indices provide transparency to the Saudi local currency and Saudi Government Sukuk and Bond market performance, Tadawul said. As part of the primary tools of active and passive investment managers, these indices can be used by dealer banks, ETF issuers, buy-side investment firms, and third-party vendors to benchmark portfolio performance and risk. "ETFs and Mutual Funds linked to these indices can provide a transparent, cost-effective way to gain exposure to local currency Saudi Government Sukuk and Bond market. Instead of purchasing multiple Sukuks and Bonds, investors can purchase a single ETF unit, which trades actively on an exchange," the statement said. (Zawya)
- **Fitch revises Arabian Centre's outlook to Negative; affirms At 'BB+'; assigns 'A-(Sau)' National Rtg –** Fitch Ratings has revised the outlook on Saudi Arabia-based real estate company Arabian Centres Company's (ACC) Long-Term Issuer Default Rating (IDR) to Negative from Stable and affirmed the IDR at 'BB+. Fitch has also affirmed the 'BB+' unsecured rating and 'BB+' rating of the Sukuk trust certificates issued through Arabian Centres Sukuk Limited (ACSL). Fitch has assigned ACC a new National Long-Term Rating of 'A-(sau)' with a Stable Outlook. Fitch has used Saudi Arabia's National Rating Correspondence Table and relativities with national peers to determine the national scale rating in accordance with Fitch's National Scale Rating Criteria.

Fitch also assigned ACC a Long-Term Local-Currency IDR of 'BB+' with a Negative Outlook The ratings reflect the company's competitive position as the largest retail real estate company in Saudi Arabia (KSA), owning and operating a portfolio of 21 retail malls in the most populous cities of the country, while also considering asset concentration, a front-loaded lease maturity profile and a high exposure to related-party tenants and transactions. The Negative Outlook reflects exposure to the nascent KSA retail market, which continues to be affected by an economic slowdown, a tripling of VAT, which may impact consumer spending, and most recently, COVID-19. In addition, the company's rental income is vulnerable due to a short-term lease profile and potential downward pressure from related parties. Challenging Operating Environment: Low oil prices and COVID-19 have affected the KSA economy and retail markets. GDP is expected to contract more than 4% this year. While the retail market has positive dynamics, such as low mall penetration, a young, growing population, and limited e-commerce, it was negatively affected by a six-week government-imposed lockdown of malls beginning in March 2020. The border closures have meant some tenants have captured higher consumer spending, as few residents are travelling and KSA has limited non-religious tourism. COVID-19 Operational Performance: Footfall in ACC's malls reached 17 million in 2Q21 (July to September 2020), but this is 39% below 1Q2020. This improved to -23% in October 2020 compared with October 2019. Tenant sales were down 5% in 1HFY21 compared with 1H2020, indicating increased consumer spend. Concentrated Portfolio, Strong Market Position: ACC has a market share of 14%, more than double its nearest competitor. ACC's portfolio comprises 21 malls across 10 cities with a gross leasable area of 1.2mn square meters. The portfolio is concentrated, as the top10 assets are around three-quarters of this. (Bloomberg)

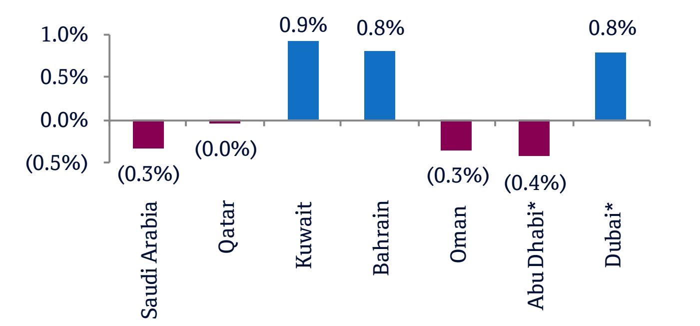
- **Saudi's Aljazira Takaful receives go-ahead to merge with Solidarity –** Aljazira Takaful Taawuni Company announced receiving a no-objection letter from the Saudi Central Bank (SAMA) to merge with Solidarity Saudi Takaful Company. The two insurers will continue working to obtain other necessary regulatory approvals to complete the merger. This includes the approval of the extraordinary general meeting (EGM) of the two firms, Aljazira Takaful said in a statement to the Saudi bourse on Tuesday. In August 2020, Aljazira Takaful inked a binding merger agreement with Solidarity Saudi Takaful to acquire its entire issued shares. The merger will be implemented via a share swap where Aljazira Takaful will issue new ordinary shares to Solidarity Saudi Takaful shareholders in exchange for its issued shares. (Zawya)
- **Kuwait's KPC signs deal to store 3.14mn barrels of oil in Japan, news agency reports –** State-owned Kuwait Petroleum Corp (KPC) signed an agreement to store 3.14mn barrels of crude oil in Japan, Kuwait News Agency reported on Wednesday, citing the company's Deputy Managing Director of international marketing, Ghadeer Al-Qadfan. The agreement is part of KPC's efforts to secure storage abroad and increase its market share in the Far East, he said according to the state-run news agency. (Reuters)
- **Israel expects $220mn in non-defense trade with Bahrain in 2021 –** Israel foresees $220mn in non-defense trade with Bahrain in 2021, the Economy Ministry said on Wednesday as it hosted a delegation from the Gulf state to cement newly established ties. Bahrain and neighbor the UAE normalized relations with Israel on September 15, a US-brokered pact motivated by business prospects as well as shared worries about Iran. Meeting Israeli Prime Minister, Benjamin Netanyahu in Jerusalem, Bahrain's minister for industry, commerce and tourism, Zayed bin Rashid al-Zayani, said he saw an "immense opportunity to even develop (ties) further, not just in terms of business - in terms of culture, sport, exchange, tourism". The Economy Ministry trade forecast anticipated growth in Israeli exports to Bahrain of diamonds and refined metals for chemicals, and of imports of oil and aluminum from Bahrain. (Reuters)
- **Blom Bank in talks with Bahrain's Arab Banking Corp to sell Egyptian unit –** Lebanon's Blom Bank has entered exclusive talks with Bahrain's Bank ABC to potentially sell its ownership in Blom Bank Egypt, Blom Bank said on Wednesday. "Both parties will consequently enter into negotiations in order to reach a final agreement, however, there is no certainty that any transaction will be completed," the statement said. Blom Bank owns 99.42% of the issued share capital of Blom Bank Egypt, the statement said. Bahrain's ABC said in September it was in preliminary talks to buy Blom Bank's Egyptian subsidiary. (Reuters)

## Rebased Performance




Source: Bloomberg

## Daily Index Performance




Source: Bloomberg (*Data as of November 30, 2020)

| Asset/Currency Performance | Close ($) | 1D% | WTD% | YTD% |
|---|---|---|---|---|
| Gold/Ounce | 1,831.28 | 0.9 | 2.4 | 20.7 |
| Silver/Ounce | 24.10 | 0.4 | 6.8 | 35.0 |
| Crude Oil (Brent)/Barrel (FM Future) | 48.25 | 1.8 | 0.1 | (26.9) |
| Crude Oil (WTI)/Barrel (FM Future) | 45.28 | 1.6 | (0.5) | (25.8) |
| Natural Gas (Henry Hub)/MMBtu | 2.81 | (1.7) | 26.0 | 31.6 |
| LPG Propane (Arab Gulf)/Ton | 58.13 | 2.4 | 4.7 | 40.9 |
| LPG Butane (Arab Gulf)/Ton | 66.25 | (5.4) | 2.7 | 1.1 |
| Euro | 1.21 | 0.4 | 1.3 | 8.0 |
| Yen | 104.42 | 0.1 | 0.3 | (3.9) |
| GBP | 1.34 | (0.4) | 0.4 | 0.8 |
| CHF | 1.12 | 0.6 | 1.3 | 8.2 |
| AUD | 0.74 | 0.6 | 0.4 | 5.6 |
| USD Index | 91.12 | (0.2) | (0.7) | (5.5) |
| RUB | 75.08 | (1.0) | (1.0) | 21.1 |
| BRL | 0.19 | (0.2) | 2.5 | (23.0) |

Source: Bloomberg

| Global Indices Performance | Close | 1D%* | WTD%* | YTD%* |
|---|---|---|---|---|
| MSCI World Index | 2,613.91 | 0.2 | 0.5 | 10.8 |
| DJ Industrial | 29,883.79 | 0.2 | (0.1) | 4.7 |
| S&P 500 | 3,669.01 | 0.2 | 0.8 | 13.6 |
| NASDAQ 100 | 12,349.37 | (0.0) | 1.2 | 37.6 |
| STOXX 600 | 391.69 | 0.3 | 0.7 | 1.4 |
| DAX | 13,313.24 | (0.1) | 1.0 | 8.4 |
| FTSE 100 | 6,463.39 | 0.7 | 1.8 | (13.7) |
| CAC 40 | 5,583.01 | 0.4 | 0.9 | 0.6 |
| Nikkei | 26,800.98 | (0.1) | 0.1 | 18.0 |
| MSCI EM | 1,228.71 | 0.4 | (0.2) | 10.2 |
| SHANGHAI SE Composite | 3,449.38 | 0.1 | 1.4 | 20.0 |
| HANG SENG | 26,532.58 | (0.1) | (1.4) | (5.4) |
| BSE SENSEX | 44,618.04 | (0.4) | 1.4 | 4.5 |
| Bovespa | 111,878.50 | 0.8 | 3.4 | (25.8) |
| RTS | 1,335.44 | 1.9 | 2.5 | (13.8) |

Source: Bloomberg (*$ adjusted returns)

## Contacts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