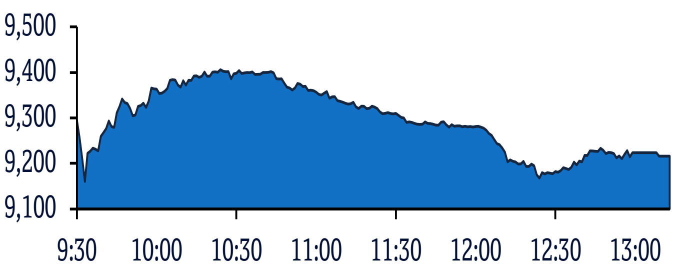
Daily Market Report

Tuesday, 03 March 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 2.9% to close at 9,215.8. Losses were led by the Industrials and Insurance indices, falling 3.5% and 2.8%, respectively. Top losers were Industries Qatar and Dlala Brokerage & Investment Holding Company, falling 8.2% and 8.1%, respectively. Among the top gainers, Qatar Industrial Manufacturing Company gained 4.8%, while Mannai Corporation was up 3.5%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.1% to close at 7,349.2. Gains were led by the Retailing and Real Estate Mgmt & Dev't indices, rising 2.4% and 1.8%, respectively. National Co. for Learning and Edu. and Al Kathiri Holding Co. were up 10.0% each.

Dubai: The DFM Index gained 2.5% to close at 2,536.7. The Transportation index rose 3.9%, while the Telecommunication index gained 3.7%. Khaleeji Commercial Bank and Air Arabia were up 6.2%, each.

Abu Dhabi: The ADX General Index gained 0.8% to close at 4,763.5. The Consumer Staples indices rose 4.0%, while the Real Estate sector was up 3.9%. Dana Gas rose 6.1%, while Waha Capital was up 5.5%.

Kuwait: The Kuwait All Share Index gained 4.9% to close at 5,784.2. The Banks index rose 6.6%, while the Telecommunications index gained 4.2%. Kamco Investment Company rose 18.2%, while National Shooting Company was up 17.3%.

Oman: The MSM 30 Index fell marginally to close at 4,081.2. Losses were led by the Industrial and Financial indices, falling 0.3% and 0.2%, respectively. Sharqiyah Desalination Co. declined 10.0%, while Al Madina Investment Co. was down 8.0%.

Bahrain: The BHB Index gained 2.3% to close at 1,641.0. The Commercial Banks index rose 3.8%, while the Services index gained 0.7%. Ahli United Bank rose 6.7%, while Khaleeji Commercial Bank was up 6.1%.

Market Indicators	02 Mar 20	27 Feb 20	%Chg.
Value Traded (QR mn)	482.4	367.0	31.5
Exch. Market Cap. (QR mn)	509,385.6	525,584.4	(3.1)
Volume (mn)	163.7	95.8	70.8
Number of Transactions	10,730	9,238	16.2
Companies Traded	45	43	4.7
Market Breadth	9:36	13:25	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,245.61	(2.4)	(2.4)	(10.1)	13.5
All Share Index	2,789.31	(2.5)	(2.5)	(10.0)	14.3
Banks	3,981.70	(2.7)	(2.7)	(5.7)	14.0
Industrials	2,378.52	(3.5)	(3.5)	(18.9)	17.4
Transportation	2,328.43	(0.3)	(0.3)	(8.9)	12.1
Real Estate	1,300.13	(1.9)	(1.9)	(16.9)	9.7
Insurance	2,383.31	(2.8)	(2.8)	(12.8)	14.3
Telecoms	806.26	(0.1)	(0.1)	(9.9)	13.9
Consumer	7,391.51	(2.0)	(2.0)	(14.5)	17.2
Al Rayan Islamic Index	3,430.94	(2.5)	(2.5)	(13.2)	14.7

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Bank of Kuwait	Kuwait	0.94	8.4	23,985.7	(12.2)
Kuwait Finance House	Kuwait	0.77	7.0	25,575.0	(5.7)
Ahli United Bank	Bahrain	1.04	6.7	256.1	(1.4)
Gulf Bank	Kuwait	0.27	5.8	17,555.6	(10.2)
Mobile Telecom. Co.	Kuwait	0.53	5.5	9,983.8	(11.0)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Industries Qatar	Qatar	8.25	(8.2)	3,675.6	(19.7)
Mesaieed Petro. Holding	Qatar	1.67	(5.6)	8,845.6	(33.5)
Almarai Co.	Saudi Arabia	43.10	(3.8)	862.8	(12.9)
Qatar Insurance Co.	Qatar	2.60	(3.7)	3,910.6	(17.7)
QNB Group	Qatar	18.15	(3.7)	5,167.0	(11.9)

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 Industrial Manufacturing Co	3.04	4.8	84.7	(14.9)
Mannai Corporation	3.15	3.5	834.2	2.2
Medicare Group	6.66	0.9	377.4	(21.2)
Baladna	1.00	0.9	1,866.3	(0.1)
Ooredoo	6.37	0.7	6,424.5	(10.0)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.52	(2.6)	23,549.1	(15.0)
Masraf Al Rayan	4.05	(0.5)	20,126.9	2.3
United Development Company	1.18	(2.8)	11,755.4	(22.7)
Mesaieed Petrochemical Holding	1.67	(5.6)	8,845.6	(33.5)
Mazaya Qatar Real Estate Dev.	0.62	(4.5)	8,283.4	(13.6)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Industries Qatar	8.25	(8.2)	3,675.6	(19.7)
Dlala Brokerage & Inv. Hold. Co.	0.49	(8.1)	141.8	(20.1)
Qatar Oman Investment Co.	0.49	(7.0)	3,145.1	(27.1)
Qatar National Cement Company	3.90	(6.4)	2,074.9	(31.0)
Qatar Aluminium Manufact. Co.	0.57	(6.4)	7,815.8	(26.5)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.15	(3.7)	94,153.9	(11.9)
Masraf Al Rayan	4.05	(0.5)	80,832.1	2.3
Ooredoo	6.37	0.7	41,012.0	(10.0)
Industries Qatar	8.25	(8.2)	30,701.0	(19.7)
Qatar Islamic Bank	15.29	(2.0)	26,897.7	(0.3)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,215.81	(2.9)	(2.9)	(2.9)	(11.6)	131.56	138,909.5	13.5	1.3	4.4
Dubai	2,536.66	2.5	(2.1)	(2.1)	(8.3)	65.76	97,605.8	9.2	0.9	4.6
Abu Dhabi	4,763.48	0.8	(2.8)	(2.8)	(6.2)	48.98	135,576.1	14.1	1.3	5.2
Saudi Arabia	7,349.19	0.1	(3.7)	(3.7)	(12.4)	1,360.23	2,196,935.3	20.5	1.6	3.6
Kuwait	5,784.16	4.9	(4.7)	(4.7)	(7.9)	285.03	107,666.0	14.6	1.3	3.7
Oman	4,081.17	(0.0)	(1.2)	(1.2)	2.5	3.20	17,325.2	8.1	0.8	7.3
Bahrain	1,640.95	2.3	(1.2)	(1.2)	1.9	2.57	25,707.5	11.7	1.0	4.4

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 2.9% to close at 9,215.8. The Industrials and Insurance indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Industries Qatar and Dlala Brokerage & Investment Holding Company were the top losers, falling 8.2% and 8.1%, respectively. Among the top gainers, Qatar Industrial Manufacturing Company gained 4.8%, while Mannai Corporation was up 3.5%.
- Volume of shares traded on Monday rose by 70.8% to 163.7mn from 95.8mn on Thursday. Further, as compared to the 30-day moving average of 83.9mn, volume for the day was 95.2% higher. Ezdan Holding Group and Masraf Al Rayan were the most active stocks, contributing 14.4% and 12.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	25.80%	17.94%	37,896,690.39
Qatari Institutions	39.79%	15.65%	116,454,486.92
Qatari	**65.59%**	**33.59%**	**154,351,177.30**
GCC Individuals	0.81%	0.98%	(821,814.56)
GCC Institutions	0.68%	0.96%	(1,322,331.04)
GCC	**1.49%**	**1.94%**	**(2,144,145.60)**
Non-Qatari Individuals	7.97%	9.31%	(6,456,155.06)
Non-Qatari Institutions	24.95%	55.16%	(145,750,876.64)
Non-Qatari	**32.92%**	**64.47%**	**(152,207,031.70)**

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2019	% Change YoY	Operating Profit (mn) 4Q2019	% Change YoY	Net Profit (mn) 4Q2019	% Change YoY
The National Co. for Glass Ind.*	Saudi Arabia	SR	76.3	-22.7%	(8.8)	N/A	(30.6)	N/A
Knowledge Economic City*	Saudi Arabia	SR	161.6	127.3%	4.9	N/A	18.1	N/A
Arabian Cement Co.*	Saudi Arabia	SR	782.0	30.2%	308.6	N/A	208.7	N/A
Al Babtain Power & Telecom. Co.*	Saudi Arabia	SR	1,348.6	47.7%	107.7	76.6%	86.0	23.4%
Ataa Educational Co.	Saudi Arabia	SR	84.5	5.1%	23.7	23.4%	17.3	7.0%
Nat. Shipping Co. of Saudi Arabia*	Saudi Arabia	SR	6,567.0	7.1%	1,223.0	12.4%	620.7	29.0%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2019)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
03/02	US	Markit	Markit US Manufacturing PMI	Feb	50.7	50.8	50.8
03/02	US	Institute for Supply Management	ISM Manufacturing	Feb	50.1	50.5	50.9
03/02	UK	Markit	Markit UK PMI Manufacturing SA	Feb	51.7	51.9	51.9
03/02	UK	Bank of England	Money Supply M4 MoM	Jan	0.6%	–	0.1%
03/02	UK	Bank of England	M4 Money Supply YoY	Jan	4.7%	–	3.8%
03/02	EU	Markit	Markit Eurozone Manufacturing PMI	Feb	49.2	49.1	49.1
03/02	Germany	Markit	Markit/BME Germany Manufacturing PMI	Feb	48.0	47.8	47.8
03/02	France	Markit	Markit France Manufacturing PMI	Feb	49.8	49.7	49.7
03/02	Japan	Markit	Jibun Bank Japan PMI Mfg	Feb	47.8	–	47.6
03/02	China	Markit	Caixin China PMI Mfg	Feb	40.3	46.0	51.1
03/02	India	Markit	Markit India PMI Mfg	Feb	54.5	–	55.3

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
DBIS	Dlala Brokerage & Investment Holding Company	3-Mar-20	0	Due
AKHI	Al Khaleej Takaful Insurance Company	3-Mar-20	0	Due
QGRI	Qatar General Insurance & Reinsurance Company	4-Mar-20	1	Due
QFBQ	Qatar First Bank	4-Mar-20	1	Due
QOIS	Qatar Oman Investment Company	8-Mar-20	5	Due
ZHCD	Zad Holding Company	11-Mar-20	8	Due
BRES	Barwa Real Estate Company	11-Mar-20	8	Due
QGMD	Qatari German Company for Medical Devices	11-Mar-20	8	Due

Source: QSE

News

Qatar

- **Masraf Al Rayan's subsidiary to establish digital bank in AIFC –** Al Rayan Investment, which is a wholly owned subsidiary of Masraf Al Rayan, is working on the requirements of authorizing a new bank with an expected paid-up capital of $10mn and an authorized capital of $20mn. The new bank is intended to be the first full-fledged digital bank in Astana International Financial Centre (AIFC) that will focus on the development of Islamic banking products and investments facilitated by the application of fintech products. The AIFC and Al Rayan Investment (ARI) are in the process of signing a Memorandum of Understanding that establishes the framework for cooperation during the licensing process in the coming months. ARI offers asset management and investment banking services. Investment banking services focus on corporate advisory, mergers and acquisitions and the issuance of public debt and equity. (QSE, Gulf-Times.com)
- **QATI in process of establishing an IT services subsidiary in QFC –** Qatar Insurance Company (QATI) plans to offer internally developed, best-in-class insurance administration platform to emerging market insurance carriers. QATI will collaborate with Swiss Re, a leading global reinsurance company, to integrate specialized offerings into the platform to help insurers oversee and manage their underwriting strategy and monitor exposure to natural catastrophes. QATI is in the process of establishing an IT services subsidiary in the Qatar Financial Centre (QFC), called Anoud Technologies LLC (Anoud Tech). Anoud Tech will provide marketing, implementation and maintenance services in respect of the Group's internally developed insurance IT system to third party clientele. The integrated system, called 'Anoud+', provides insurers an efficient, comprehensive way to manage all aspects of their insurance programs. QATI stated it requires little or no additional IT investment thanks to the use of advanced, Internet-based technology, and the platform also offers access to cutting edge reinsurance tools and risk modeling capabilities. (Gulf-Times.com)
- **SMEs to help Qatar diversify away from hydrocarbons –** Small and medium-sized enterprises (SMEs) play an important role in economic growth and in the diversification strategy of Qatar, Qatar Chamber's Director General, Saleh bin Hamad Al-Sharqi said during the 'third SMEs Conference'. Al-Sharqi, who thanked the Ministry of Commerce and Industry, the British Embassy in Qatar, and Qatar Development Bank (QDB), underscored the role and importance of SMEs in the development and growth of the economy saying, the sector contributes to productivity and generates job opportunities, which helps curb unemployment and poverty. Citing statistics from the World Trade Organization (WTO), Al-Sharqi said that around 95% of projects around the world come from SMEs. Also, he said SMEs contribute 45% to the global GDP. He said the government has put a premium in the development of the country's SME sector because of its important role in keeping pace with new economic policies and global challenges, as well as its significance in realizing the objectives of the Qatar National Vision 2030. (Gulf-Times.com)
- **Qatar-Turkey trade stands at over $2bn in 2019 –** Trade exchange between Qatar and Turkey stood at over $2bn in 2019, according to figures provided by an official of the Turkish Exporters' Assembly (TIM) during a business forum held in Doha. Bilateral trade volume between Qatar and Turkey continues to increase, TIM Deputy General Secretary A Eser Erginoglu said during the event. "Both countries' bilateral trade volume saw a continuous growth from $375mn in 2009 to reach more than $2bn last year. But there is still more room for further expansion of these figures," Erginoglu pointed out. Turkey's top exports to Qatar in 2019 include jewelry amounting to $106mn, aero planes ($101mn), and iron and steel ($27mn), while major imports from Qatar comprise of aluminum alloys ($172mn), polyethylene ($55mn), and medium oils and preparations ($11mn). Erginoglu noted that Qatar and Turkey share significant cooperation in construction industry. Total cumulative value of construction projects completed by Turkish contractors in the Qatari market exceeded $10bn. (Gulf-Times.com)
- **Qatar-UK trade jumps 21% to £6.7bn in 2019 –** Bilateral trade between Qatar and the UK stood at £6.7bn, registering 21% growth in 2019, Trade Commissioner for the Middle East, Simon Penny, said during the "third SMEs Conference" held in Doha. In his welcome speech, Penny said the UK supports more businesses in Qatar than in any other country in the world through the UK Export Finance. According to Penny, there are more than 700 British companies registered in Qatar, as well as many more that are seeking investment or collaborative opportunities across multiple sectors. "We currently have more than £3.5bn worth of financial support to Qatar; there's still an additional £1.5bn capacity that we have available, and this is available to Qatari companies that want to buy goods and services from the UK, and it is also available to UK companies that are involved in the supply chain and that are looking to de-risk some of the financial risks that come with doing business overseas," he said. (Gulf-Times.com)
- **Qatar and Uruguay sign open skies air services agreement –** HE the Minister of Transport and Communications Jassim Seif Ahmed Al-Sulaiti attended the final signing of an open skies air services agreement between Qatar and Uruguay. "The agreement comes within the framework of connecting Qatar with more air services agreements, permitting its national carrier, Qatar Airways, to expand its destinations all around the world," the Ministry of Transport and Communications stated. (Gulf-times.com)

International

- **OECD: Global growth plunging into downturn over coronavirus –** The coronavirus outbreak is plunging the world economy into its worst downturn since the global financial crisis, the Organisation for Economic Cooperation and Development (OECD) warned on Monday, urging governments and central banks to fight back to avoid an even steeper slump. The global economy is set to grow only 2.4% this year, the lowest since 2009 and down from a forecast of 2.9% in November, the OECD stated in an update of its outlook. The Paris-based policy forum projected the global economy could recover to 3.3% growth in 2021, assuming the epidemic peaked in China in the first quarter of this year and other outbreaks proved mild and contained. However, if the virus spreads throughout Asia, Europe and North America, global growth could drop as low as 1.5% this year, the OECD warned. (Reuters)

- **US manufacturing sector stalls as coronavirus hits supply chains –** The US factory manufacturing activity slowed in February as new orders contracted, reflecting worries about supply chain disruptions related to the fast-spreading coronavirus outbreak, which has revived financial market fears of a recession. While other data on Monday showed construction spending increased by the most in nearly two years, hitting a record high in January, the upbeat news was overshadowed by the coronavirus epidemic. Global stock markets have tumbled, with Wall Street's key indexes suffering their worst week since the 2008 global financial crisis last week. The yield on the two-year Treasury note fell below 1% for the first time since 2016. The Institute for Supply Management (ISM) stated its index of national factory activity fell to a reading of 50.1 last month from 50.9 in January. Economists polled by Reuters had forecasted the index would slip to 50.5 in February. A reading above 50 indicates expansion in the manufacturing sector, which accounts for 11% of the US economy. The ISM index pulled above the 50 threshold in January for the first time in five months, as trade tensions between the US and China eased following the signing of a partial deal that month. However the coronavirus epidemic, which has killed at least 3,000 people and infected more than 80,000, most of them in China, is a new threat for factories. A third report on Monday from the Commerce Department showed construction spending surged 1.8% to a record high of $1.369tn as investment in both private and public projects increased. (Reuters)
- **UK mortgage approvals rise to highest since February 2016 –** British lenders approved the highest number of mortgages for house purchase in nearly four years in January, Bank of England (BoE) figures showed on Monday, confirming a pick-up in consumer demand at the start of 2020. The BoE stated lenders signed off on 70,888 mortgages in January, up from 67,930 in December and the greatest number since February 2016, before the impending referendum on Brexit took steam out of the housing market in most of the country. The BoE data showed the annual growth rate in unsecured consumer lending held steady at 6.1% in January. Last week mortgage lender Nationwide reported that house prices in February were 2.3% higher than a year earlier, their biggest annual rise in 18 months, after Brexit worries had weighed on demand for much of 2019. The BoE stated net mortgage lending rose by 4.007bn Pounds in January, versus a forecast increase of 4.7bn Pounds while consumer lending increased by 1.230bn Pounds compared with a forecast rise of 1.1bn Pounds on the month. (Reuters)
- **UK February manufacturing expands at fastest pace since April 2019 –** Growth of manufacturing output accelerated to a ten-month high in February, as domestic demand continued to recover on the back of reduced political uncertainty. Supply-chain disruptions were rapidly emerging, however, as the outbreak of COVID-19 led to sizeable raw material delivery delays, rising input costs and increased pressure on stocks of purchases. The seasonally adjusted IHS Markit/CIPS Purchasing Managers' Index (PMI) rose to 51.7 in February, up from 50.0 in January, but below the earlier flash estimate of 51.9. The PMI posted above the 50.0 neutral mark for the first time in ten months. Manufacturing output increased at the fastest pace since April 2019, as growth strengthened in both the consumer and intermediate goods sectors. In contrast, the downturn at investment goods producers continued. The main factor underlying output growth was improved intakes of new work. Business optimism also strengthened, hitting a nine-month high, reflecting planned new investment, product launches, improved market conditions and a more settled political outlook. Manufacturing employment resumed it's downwards trend in February, falling for the tenth time during the past 11 months. The decline was centered on the investment goods sector, as jobs growth was seen at both consumer and intermediate goods producers. (Markit)
- **Eurozone's PMI rises to one-year high, but supply-side constraints emerge –** Operating conditions in the Eurozone's manufacturing sector continued to worsen during February, but only marginally and at the weakest rate for the past year. The IHS Markit Eurozone Manufacturing PMI, which is adjusted for seasonal factors, recorded 49.2 in February, up from January's 47.9 and slightly above the earlier flash reading. Although the PMI has now recorded below the 50.0 no-change mark for 13 months in succession, February's reading marked not only a one-year high, but also a second successive monthly rise in the index. Latest data indicated that two market groups registered deterioration in operating conditions in February. Investment goods producers registered the weakest performance, followed by intermediate. The biggest manufacturing economy, Germany, also saw another deterioration in performance, despite the respective PMI reaching its highest level in over a year. Euro area wide manufacturing production and new orders both remained inside negative territory during February, although rates of contraction were the weakest in nine and 15 months respectively. In contrast, export trade fell at a sharper rate to extend the current run of continuous contraction to just under a year-and-a-half. (Markit)
- **Germany's manufacturing moves closer to stabilization in February –** The downturn in Germany's manufacturing sector continued to ease in February, with latest PMI data from IHS Markit and BME showing slower falls in output, new orders and employment. The results came despite an accelerated drop in new export orders and disruption to supply chains, both linked to the outbreak of Covid-19 in China. There was also evidence of coronavirus-related concerns weighing on firms' expectations towards future output. The headline IHS Markit/BME Germany Manufacturing PMI – a single-figure snapshot of the performance of the manufacturing economy – rose to a 13-month high of 48.0 in February, up from January's reading of 45.3. Underlying data showed upward pressure on the headline PMI from its entire component, with output, new orders, employment and stocks of purchases each falling at slower rates. That said, the biggest contributing factor behind the rise was a deterioration in supplier delivery times, with longer lead times having a positive influence on the PMI. On the price front, February saw a further substantial drop in average factory gate charges, with the rate of decline unchanged since January and remaining among the fastest seen over the past ten years. There was also a further drop in prices paid for raw materials and other inputs, though the rate of decline eased

sharply from the previous survey period to the slowest since last June. German manufacturers remained optimistic about the outlook for output over the next 12 months. That said, amid uncertainties about the impact of the coronavirus outbreak on supply chains and the global economy, confidence eased from January's 17-month high. (Markit)

- **French manufacturing output falls amid weaker demand –** The latest PMI data revealed a contraction in French manufacturing output, resulting in the first deterioration in business conditions for seven months. The fall in production stemmed from a decline in new orders, which was the quickest since December 2018. Meanwhile, supplier delivery times lengthened to the greatest extent for 12 months amid widespread reports of coronavirus-related disruptions. The seasonally adjusted IHS Markit France Manufacturing Purchasing Managers' Index (PMI) - a single figure measure of developments in overall business conditions - fell to 49.8 in February, down from 51.1 in January. The reading pointed to a fractional deterioration in business conditions, the first for seven months. A key factor driving the downturn was a fall in new orders placed with French manufacturers. The result represented a renewed decline after January's recovery and the rate of decrease was the fastest for over a year. When explaining the reduction, panelists cited the prolonged discontinuation of Boeing 737 Max production, slowing demand in the automotive sector and coronavirus disruptions. Weighing on aggregate demand was a fall in international sales midway through the first quarter. The solid reduction was the strongest since last March, with some survey respondents mentioning the COVID-19 outbreak. (Markit)
- **India factory activity growth slows in February on weak demand –** India's factory activity growth slowed in February from the previous month's eight-year high due to a modest weakening in demand and output, although overall conditions remained firm, a private survey showed on Monday. The Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, fell to 54.5 last month from January's 55.3, above a Reuters poll forecast of 52.8. It has stayed above the 50-point threshold mark, which separates growth from contraction, for over two years. (Reuters)
- **India's February jobless rate rises to 7.78%, highest in four months –** India's unemployment rate rose to 7.78% in February, the highest since October 2019, and up from 7.16% in January, according to data released by the Centre for Monitoring Indian Economy (CMIE) on Monday, reflecting the impact of a slowdown in the economy. India's economy expanded at its slowest pace in more than six years in the last three months of 2019, with analysts predicting further deceleration as the global coronavirus outbreak stifles growth in Asia's third-largest economy. In rural areas, the unemployment rate increased to 7.37% in February from 5.97% in the previous month, while in urban areas, it fell to 8.65% from 9.70%, the data released by CMIE, a Mumbai-based private think-tank showed. (Reuters)

Regional

- **Reuters survey: OPEC February oil output sinks on Libyan unrest, cuts –** OPEC oil output dropped in February to the lowest in over a decade as Libyan supply collapsed due to a blockade of ports and oilfields and Saudi Arabia and other Gulf members over delivered on a new production-limiting accord, a Reuters survey found. On average, the 13-member OPEC pumped 27.84mn bpd last month, according to the survey, down 510,000 bpd from January's figure. Despite the drop in supply, crude prices LCOc1 have slipped to below $50 a barrel on concern that the coronavirus outbreak will cut oil demand. OPEC and its allies meet this week to discuss further steps to support the market. OPEC, Russia and other allies, known as OPEC+, agreed to deepen an existing supply cut by 500,000 bpd from January 1, 2020. OPEC's share of the new reduction is about 1.17mn bpd, to be made by 10 members, all except Iran, Libya and Venezuela. The 10 OPEC members bound by the agreement easily exceeded the pledged cuts in February thanks to Saudi Arabia and its Gulf allies cutting more than called for to support the market. Still, an increase in production by Iraq and Nigeria - both laggards in delivering on previous OPEC+ agreements - meant that OPEC complied with 128% of the pledged cuts in February, the survey found, down from 133% in January. (Reuters)
- **OPEC-watchers expect substantial production cutback this week –** OPEC and its allies are expected to agree deeper production cutbacks this week as the coronavirus batters oil demand, a Bloomberg survey showed. All but two of 29 analysts, traders and brokers in a global poll predicted that the OPEC and its allies will announce new curbs, with an average expectation of 750,000 bpd. That is slightly above the 600,000 barrel-a-day cut recommended by the organization's technical committee in February. The 23-nation alliance by will meet in Vienna on Thursday and Friday, with oil prices near their lowest in more than two years as the virus cripples Chinese manufacturing and threatens a global recession. The Saudis have been pushing OPEC+ to act for several weeks, and Russian President Vladimir Putin has signaled he's willing to support them. (Gulf-Times.com)
- **Novak says Russia evaluating earlier, smaller oil production cut proposal by OPEC and allies –** Russia is evaluating an earlier and smaller oil production cut proposal made by OPEC and its allies, Energy Minister, Alexander Novak said, adding it had not received one for deeper cuts. The OPEC and its partners known as OPEC+ will meet in Vienna on March 5-6 to discuss additional steps to support markets hit by demand fears over spread of coronavirus. In an initial response to counter the impact of the virus on the oil market, an OPEC+ committee recommended the group deepen its output cuts by 600,000 bpd, in addition to existing cuts of 1.7mn bpd which runs to the end of March. "We are looking at the recommendation made by the (joint) technical committee," Novak told reporters, adding that Russia had not received a proposal to deepen cuts by 1mn bpd. Saudi Arabia and some other OPEC members proposed to deepen the cuts by another 1mn bpd to address demand fears hit by the coronavirus outbreak, sources said. (Reuters)
- **IATA: Middle East airlines lose $100mn due to coronavirus –** Middle East airlines have lost an estimated $100mn so far due to the coronavirus outbreak and governments should help the carriers through this difficult period, an official of the International Air Transport Association (IATA) said. Ticket sales in the region for Middle Eastern airlines are expected to drop in coming weeks and revenues are at risk if travel

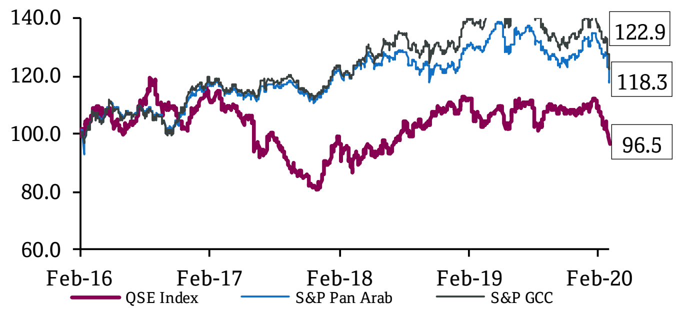
restrictions in Asia are extended, IATA Vice President for Africa and the Middle East, Muhammad Ali Albakri told reporters. At this stage, global airlines stand to lose $1.5bn this year due to the virus, he added. (Reuters)

- **Japan's MUFG cuts Middle East growth forecasts due to coronavirus –** Japan's Mitsubishi UFJ Financial Group Inc (MUFG) has cut its growth forecast for the Middle East and North Africa for 2020 to 2.1% from 2.8% previously because of the impact of the coronavirus outbreak on the region, it stated. For the GCC region, the Japanese financial group has cut growth expectations to 1.7% from a previous 2.5%, MUFG stated. It stated the Middle East will be impacted because of slowing Chinese energy demand, slowing tourism flows, disruptions to supply chains affecting trade, and lower oil prices. (Reuters)
- **SAMA: Consumption in Saudi Arabia up 8.1% YoY in January –** Consumption in Saudi Arabia grew by 8.1% YoY during January 2020, according to the Saudi Arabian Monetary Authority (SAMA). Consumers in Saudi Arabia spent SR84.59bn last January, compared with SR84.59bn in January 2019. On a monthly basis, spending increased by 5.4%, compared to its level at SR86.8bn in December 2019. Last year spending by consumers in the Kingdom has increased by 4.6% to SR1.03tn, compared with SR980.63bn in 2018. The rise in consumption came supported by an increase in monthly point of sale (PoS) transactions, which reached a new record high. After hitting its highest ever level in December at SR27.93bn, PoS sales reached SR28.53bn by the end of January 2020, as the number of PoS transactions soared by 75% YoY to 186.14mn transactions from 106.36mn in January 2019. In addition, the number of devices used hiked to 452,320 devices in January, compared to around 358,600 in the corresponding period a year earlier. Meanwhile, cash withdrawals marginally decreased by 0.44% in January 2020 to SR62.94bn, compared with SR63.22bn for January 2019. Withdrawals through mada cards rose in January to SR40.05bn compared with SR39.55bn a year earlier, while withdrawals from banks increased by 3.3% to SR22.89bn, compared with SR23.67bn in January 2019. A relatively strong start to the year for Saudi Arabia's private sector may prove short-lived as the coronavirus outbreak is seen hurting the tourism sector and consumer spending. Loans to the private sector rose 8.5% YoY in January, SAMA showed last week, with a rise in mortgages backing the uptick. (Zawya, Reuters)
- **Saudi Arabia's real non-oil economy grows at fastest pace in six years –** Saudi Arabia's non-oil economy grew by 3.3% last year, its fastest rate since 2014, even as the energy sector contracted and slowed overall growth. Most of the increase in output was driven by the retail, hotel and financial sectors, which are attracting increased investment as the Kingdom moves away from dependence on oil revenues. The oil sector declined by 3.6% in 2019 dragging overall GDP growth to 0.3% according to data released by Saudi Arabia's General Authority for Statistics. "The weakness in the real headline GDP growth was due to the construction in the oil sector," Chief Economist at Abu Dhabi Commercial Bank, Monica Malik told Arab News. "Positively, non-oil activity expanded at the fastest pace since 2014 thanks to a strengthening in non-oil growth. We believe that higher investment growth will remain a key support factor for non-oil activity in 2020 with greater progress with key projects," she said. Saudi Arabia's GDP at current prices amounted to SR2.974tn in 2019 - up by about 0.8% from a year earlier. Crude petroleum and natural gas accounted for some 27.4% of the Kingdom's economic output, followed by government services at 19.4%. Wholesale and retail trade, restaurants and hotels made up the third largest contributor to GDP, accounting for a 10% share. Weaker oil demand globally hit the Kingdom's exports in 2019 which were down by about 10.4% in value over the year to about SR1.05tn. (Zawya)
- **Saudi Arabia's SEDCO Capital fund eyes SR900mn property acquisition –** Saudi Arabia-based global asset management firm SEDCO Capital stated that its real estate trust fund is eyeing the acquisition of a property portfolio worth over SR900mn. The firm stated that the SEDCO Capital REIT Fund is eyeing a portfolio of ten developed properties located between the Eastern region and Riyadh. The statement filed with Tadawul stated that the REIT plans to finance the acquisition through a combination of cash and in-kind contributions by issuing new units to increase the fund's capital and using financial leverage as per the fund's terms and conditions. Additionally, the fund has received the board's approval to increase its capital, the statement noted. The asset manager said that it expects the acquisition will have a positive impact on the overall performance of the fund. (Zawya)
- **Fawaz Abudulaziz Alhokair Company secures $800mn Islamic finance –** Fawaz Abdulaziz Alhokair Company signed an Islamic term Murabaha facility and a revolving credit facility agreement with a syndicate of Saudi Arabian banks. The $800mn debt facility is composed of two tranches, including a $650mn Murabaha to be fully utilized in refinancing existing debt, and $150mn revolving standby credit facility to finance the businesses operational and expansion needs. The term Murabaha's maturity is seven years (subject to a one-year grace period), while the revolving credit facility's tenure is three years. The banks participating in the loan agreement are: Al Rajhi Banking and Investment Corporation, the National Commercial Bank, Samba Financial Group, Arab National Bank, Mashreqbank, Abu Dhabi Islamic Bank. (Zawya)
- **UAE's January consumer prices decline 0.09% MoM and 1.3% YoY in January –** Federal Competitiveness and Statistics Authority in Dubai published UAE's consumer price indices for January, which showed that consumer prices fell 0.09% MoM in January 2020 as compared to a fall of 0.2% in December 2019; and also declined 1.3% YoY. (Bloomberg)
- **Gulf Islamic Investments buys New York office building –** Gulf Islamic Investments has acquired a property in New York. The acquisition brings the UAE-based financial services firm's US portfolio to more than $230mn. The property is an office building in White Plains, Westchester County, with a leasable area of 220,000 square feet, and is currently over 90% occupied by more than 30 tenants. It is also strategically located, as it is close to the Federal, Supreme, District and Country courthouses in New York. (Zawya)
- **Nasdaq Dubai welcomes listing of $2bn Sukuk by Islamic Development Bank –** Nasdaq Dubai welcomed the listing of $2bn Sukuk by the Islamic Development Bank (IsDB), a multilateral lender which finances development across its 57 member countries. The five-year Sukuk is the largest by value

to be listed on the exchange by IsDB, Nasdaq Dubai stated. The bank stated it was priced at a profit rate of 1.809% payable on semi-annual basis. The Sukuk makes IsDB the leading Sukuk issuer by total value on Nasdaq Dubai at $15.64bn. The first of IsDB's 12 current Sukuk listings on the exchange was $1bn instrument that listed in 2015. The other IsDB listings are three Sukuk of $1.5bn each, $1.3bn Sukuk, four Sukuk of $1.25bn each, EUR650mn Sukuk and EUR1.1bn Sukuk. Dubai is one of the largest centers globally for Sukuk listings by value at $68.355bn. (Zawya)

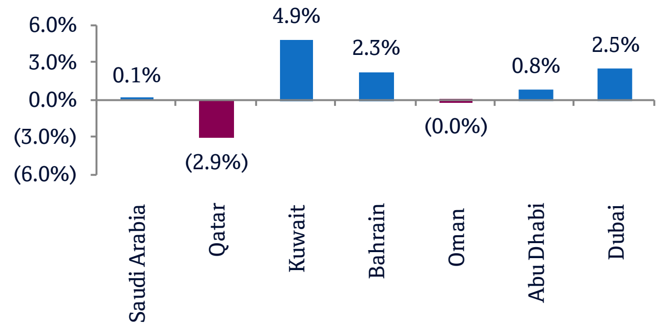
- **NMC Health calls for debt standstill to stabilize finances –** NMC Health stated that it will ask for an informal debt standstill to stabilize the UAE-based hospital operator's finances as it confirmed that Moelis would advise it in talks with banks. London-listed NMC stated that it was asking for continued support and an informal standstill in relation to existing facilities from its lenders to achieve an immediate stabilization of the group's financing. It also stated it had hired PwC as an operational adviser to assist on liquidity management and operational measures, while Allen & Overy has been hired as a legal advisor. (Reuters)
- **Oman sells OMR25mn 28-day bills at a yield of 1.54% and bid-cover at 1.2x –** Oman sold OMR25mn of 28 day bills due on April 1, 2020. Investors offered to buy 1.2 times the amount of securities sold. The bills were sold at a price of 99.882, having a yield of 1.54% and will settle on March 4, 2020. (Bloomberg)
- **Chicken giant BRF gets approval to export to Oman from 15 plants –** Brazilian chicken giant BRF secured 15 licenses to export to Oman, which has recently changed its import permission model and started to qualify individual plants, BRF's Executive Director for Gulf and Turkey, Fadi Felfeli said. Permissions were granted after religious and health authorities from Oman visited BRF units in 2019. With the permission, BRF will be able to export as much as 5,000 tons of chicken and processed food per month to Oman. The company has not provided current export figures to the nation. BRF is Oman's largest animal protein supplier, accounting for almost 60% of Brazil's chicken exports to the nation (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills at a yield of 2.45% –** Bahrain sold BHD70mn of 91 day bills due on June 3, 2020. The bills were sold at a price of 99.385, having a yield of 2.45% and will settle on March 4, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,589.44	0.2	0.2	4.8
Silver/Ounce	16.73	0.4	0.4	(6.3)
Crude Oil (Brent)/Barrel (FM Future)	51.90	2.7	2.7	(21.4)
Crude Oil (WTI)/Barrel (FM Future)	46.75	4.4	4.4	(23.4)
Natural Gas (Henry Hub)/MMBtu	1.75	(2.2)	(2.2)	(16.3)
LPG Propane (Arab Gulf)/Ton	40.50	1.9	1.9	(1.8)
LPG Butane (Arab Gulf)/Ton	50.50	(3.3)	(3.3)	(22.9)
Euro	1.11	1.0	1.0	(0.7)
Yen	108.33	0.4	0.4	(0.3)
GBP	1.28	(0.5)	(0.5)	(3.8)
CHF	1.04	0.6	0.6	0.9
AUD	0.65	0.3	0.3	(6.9)
USD Index	97.36	(0.8)	(0.8)	1.0
RUB	66.43	(0.7)	(0.7)	7.2
BRL	0.22	(0.0)	(0.0)	(10.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,212.38	3.3	3.3	(6.2)
DJ Industrial	26,703.32	5.1	5.1	(6.4)
S&P 500	3,090.23	4.6	4.6	(4.4)
NASDAQ 100	8,952.17	4.5	4.5	(0.2)
STOXX 600	375.97	1.7	1.7	(10.0)
DAX	11,857.87	1.3	1.3	(10.7)
FTSE 100	6,654.89	1.5	1.5	(14.8)
CAC 40	5,333.52	2.1	2.1	(11.2)
Nikkei	21,344.08	1.3	1.3	(8.8)
MSCI EM	1,017.03	1.1	1.1	(8.8)
SHANGHAI SE Composite	2,970.93	3.6	3.6	(2.6)
HANG SENG	26,291.68	0.8	0.8	(6.6)
BSE SENSEX	38,144.02	(0.7)	(0.7)	(9.4)
Bovespa	106,625.40	2.4	2.4	(17.5)
RTS	1,303.47	0.3	0.3	(15.8)

Source: Bloomberg (*$ adjusted returns)

Contacts

Saugata Sarkar, CFA, CAIA
Head of Research
Tel: (+974) 4476 6534
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
Tel: (+974) 4476 6509
shahan.keushgerian@qnbfs.com.qa

Zaid al-Nafoosi, CMT, CFTe
Senior Research Analyst
Tel: (+974) 4476 6535
zaid.alnafoosi@qnbfs.com.qa

Mehmet Aksoy, PhD
Senior Research Analyst
Tel: (+974) 4476 6589
mehmet.aksoy@qnbfs.com.qa

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
PO Box 24025
Doha, Qatar