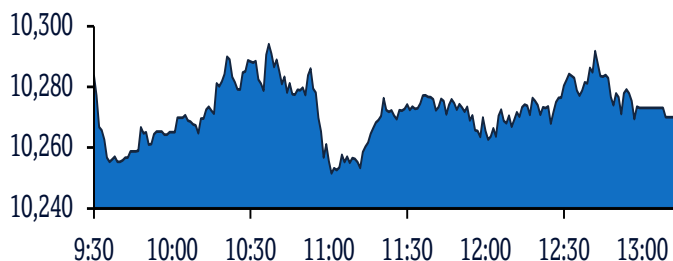


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.2% to close at 10,270.1. Gains were led by the Banks & Financial Services and Consumer Goods & Services indices, gaining 0.7% and 0.4%, respectively. Top gainers were Qatar First Bank and Qatar Industrial Manufacturing Company, rising 3.8% and 2.3%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Co. fell 5.6%, while Gulf Warehousing Co. was down 4.2%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.3% to close at 8,138.4. Gains were led by the Pharma, Biotech & Life and Commercial & Prof. Svc indices, rising 1.8% and 1.2%, respectively. Saudi Vitrified Clay Pipes rose 6.0%, while Sabb Takaful was up 4.6%.

**Dubai:** The DFM Index fell 0.1% to close at 2,767.5. The Consumer Staples and Discretionary index declined 1.5%, while the Real Estate & Const. index fell 1.2%. Arabtec Holding Co. declined 10.0%, while Takaful Emarat Ins. was down 7.8%.

**Abu Dhabi:** The ADX General Index gained 0.4% to close at 5,095.5. The Energy index rose 1.0%, while the Real Estate index gained 0.8%. Abu Dhabi National Energy Co. rose 14.9%, while Arkan Building Materials Co. was up 6.4%.

**Kuwait:** The Kuwait All Share Index gained 0.1% to close at 6,273.7. The Telecom. index rose 1.3%, while the Consumer Services index gained 1.0%. First Dubai Real Estate Dev. rose 12.8%, while Wethaq Takaful Ins. Co. was up 10.0%.

**Oman:** The MSM 30 Index gained 0.7% to close at 4,145.1. Gains were led by the Industrial and Financial indices, rising 1.2% and 0.7%, respectively. Oman Cement Company rose 5.4%, while National Finance Company was up 4.4%.

**Bahrain:** The BHB Index gained 0.1% to close at 1,663.5. The Investment index rose 0.2%, while the Services index gained 0.1%. GFH Financial Group rose 1.8%, while Zain Bahrain was up 0.9%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.09	3.8	11,208.1	33.3
Qatar Industrial Manufacturing Co	3.50	2.3	62.8	(2.0)
Medicare Group	8.27	2.1	41.0	(2.1)
Mesaieed Petrochemical Holding	2.06	2.0	5,473.1	(17.9)
QNB Group	20.64	1.7	3,119.4	0.2

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.09	3.8	11,208.1	33.3
Vodafone Qatar	1.20	0.0	6,733.0	3.4
Mesaieed Petrochemical Holding	2.06	2.0	5,473.1	(17.9)
Alijarah Holding	0.83	(0.1)	4,885.0	17.0
Baladna	1.01	1.0	4,825.6	1.0

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,270.06	0.2	(1.6)	(1.6)	(1.5)	60.41	156,463.7	14.8	1.5	4.2
Dubai	2,767.46	(0.1)	(0.8)	(0.8)	0.1	42.89	103,819.2	12.9	1.0	4.2
Abu Dhabi	5,095.52	0.4	(1.2)	(1.2)	0.4	41.50	144,449.2	15.7	1.4	4.9
Saudi Arabia	8,138.40	0.3	(1.3)	(1.3)	(3.0)	953.41	2,308,634.8	22.1	1.8	3.3
Kuwait	6,273.71	0.1	(0.8)	(0.8)	(0.1)	113.47	117,216.4	15.7	1.5	3.4
Oman	4,145.05	0.7	1.6	1.6	4.1	11.04	17,651.0	7.7	0.7	7.2
Bahrain	1,663.54	0.1	0.4	0.4	3.3	3.80	26,098.3	13.2	1.0	4.7

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (\*\* TTM; \* Value traded (\$ mn) do not include special trades, if any)

Market Indicators	04 Feb 20	03 Feb 20	%Chg.
Value Traded (QR mn)	221.4	302.5	(26.8)
Exch. Market Cap. (QR mn)	573,547.3	570,694.2	0.5
Volume (mn)	68.4	103.1	(33.7)
Number of Transactions	6,388	7,722	(17.3)
Companies Traded	45	45	0.0
Market Breadth	20:20	3:39	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,897.78	0.2	(1.6)	(1.5)	14.8
All Share Index	3,061.36	0.4	(1.3)	(1.2)	15.4
Banks	4,272.46	0.7	(0.7)	1.2	14.8
Industrials	2,753.87	0.0	(1.7)	(6.1)	19.3
Transportation	2,486.65	(0.1)	(1.9)	(2.7)	13.0
Real Estate	1,558.97	(0.4)	(0.8)	(0.4)	11.6
Insurance	2,691.11	(0.1)	(2.2)	(1.6)	16.0
Telecoms	883.74	0.1	(1.0)	(1.3)	15.1
Consumer	8,117.49	0.4	(4.0)	(6.1)	17.9
Al Rayan Islamic Index	3,842.72	0.0	(1.9)	(2.7)	16.0

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
GFH Financial Group	Dubai	0.89	3.3	12,085.1	5.7
Banque Saudi Fransi	Saudi Arabia	36.85	2.8	429.6	(2.8)
HSBC Bank Oman	Oman	0.12	2.5	45.4	1.7
Bank Al Bilad	Saudi Arabia	27.00	2.5	621.1	0.4
Arabian Centres Co Ltd	Saudi Arabia	31.25	2.5	380.6	7.2

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
The Commercial Bank	Qatar	4.53	(1.9)	2,835.7	(3.6)
Emaar Malls	Dubai	1.75	(1.7)	4,583.7	(4.4)
Bupa Arabia for Coop. Ins.	Saudi Arabia	100.80	(1.4)	101.1	(1.6)
National Shipping Co.	Saudi Arabia	33.60	(1.3)	1,461.7	(16.0)
Nat. Industrialization Co.	Saudi Arabia	12.28	(1.3)	2,322.6	(10.2)

Source: Bloomberg (# in Local Currency) (\*\* GCC Top gainers/losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	2.36	(5.6)	555.9	(4.1)
Gulf Warehousing Company	4.98	(4.2)	296.6	(9.1)
Al Khaleej Takaful Insurance Co.	1.88	(2.6)	1,038.3	(6.0)
The Commercial Bank	4.53	(1.9)	2,835.7	(3.6)
Qatar Islamic Insurance Company	6.60	(1.9)	14.4	(1.2)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	20.64	1.7	64,299.2	0.2
Masraf Al Rayan	4.13	0.2	16,684.3	4.3
Qatar Islamic Bank	16.36	(0.2)	14,234.2	6.7
The Commercial Bank	4.53	(1.9)	12,887.4	(3.6)
Qatar First Bank	1.09	3.8	12,141.8	33.3

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index rose 0.2% to close at 10,270.1. The Banks & Financial Services and Consumer Goods & Services indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Qatar First Bank and Qatar Industrial Manufacturing Company were the top gainers, rising 3.8% and 2.3%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 5.6%, while Gulf Warehousing Company was down 4.2%.
- Volume of shares traded on Tuesday fell by 33.7% to 68.4mn from 103.1mn on Monday. Further, as compared to the 30-day moving average of 78.5mn, volume for the day was 12.9% lower. Qatar First Bank and Vodafone Qatar were the most active stocks, contributing 16.4% and 9.9% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	17.62%	26.15%	(18,887,582.07)
Qatari Institutions	22.98%	23.46%	(1,067,761.16)
<b>Qatari</b>	<b>40.60%</b>	<b>49.61%</b>	<b>(19,955,343.23)</b>
GCC Individuals	0.88%	0.98%	(218,156.47)
GCC Institutions	0.13%	3.82%	(8,168,688.29)
<b>GCC</b>	<b>1.01%</b>	<b>4.80%</b>	<b>(8,386,844.76)</b>
Non-Qatari Individuals	9.01%	8.74%	604,520.75
Non-Qatari Institutions	49.38%	36.85%	27,737,667.24
<b>Non-Qatari</b>	<b>58.39%</b>	<b>45.59%</b>	<b>28,342,187.99</b>

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
Oman Insurance Company*	Dubai	AED	3,545.1	-4.2%	-	-	186.9	2136.1%
Dubai Investments*	Dubai	AED	2,826.7	-7.2%	1,188.8	10.6%	657.6	0.9%
Abu Dhabi National Hotels*	Abu Dhabi	AED	1,403.8	23.7%	-	-	253.0	4.9%
Abu Dhabi Aviation Co.*	Abu Dhabi	AED	2,081.7	15.2%	519.9	21.4%	301.2	5.9%

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

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
02/04	UK	Markit	Markit/CIPS UK Construction PMI	Jan	48.4	47.1	44.4
02/04	EU	Eurostat	PPI MoM	Dec	0.0%	0.0%	0.1%
02/04	EU	Eurostat	PPI YoY	Dec	-0.7%	-0.7%	-1.4%

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
UDCD	United Development Company	5-Feb-20	0	Due
QIMD	Qatar Industrial Manufacturing Company	5-Feb-20	0	Due
IQCD	Industries Qatar	10-Feb-20	5	Due
QAMC	Qatar Aluminum Manufacturing Company	12-Feb-20	7	Due
QCFS	Qatar Cinema & Film Distribution Company	12-Feb-20	7	Due
DOHI	Doha Insurance Group	12-Feb-20	7	Due
SIIS	Salam International Investment Limited	13-Feb-20	8	Due
ORDS	Ooredoo	13-Feb-20	8	Due
QEWS	Qatar Electricity & Water Company	16-Feb-20	11	Due
DHBK	Doha Bank	17-Feb-20	12	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	17-Feb-20	12	Due
QGRI	Qatar General Insurance & Reinsurance Company	17-Feb-20	12	Due
AHCS	Aamal Company	18-Feb-20	13	Due
MERS	Al Meera Consumer Goods Company	19-Feb-20	14	Due
GISS	Gulf International Services	19-Feb-20	14	Due
MPHC	Mesaieed Petrochemical Holding Company	20-Feb-20	15	Due
QISI	Qatar Islamic Insurance Group	26-Feb-20	21	Due

Source: QSE

**Qatar**

- **MCGS posts 21.8% YoY decrease but 237.9% QoQ increase in net profit in 4Q2019, beating our estimate** – Medicare Group's (MCGS) net profit declined 21.8% YoY (but rose 237.9% on QoQ basis) to QR34.2mn in 4Q2019, beating our estimate of QR31.3mn (variation of +9.3%). The company's operating income came in at QR134.6mn in 4Q2019, which represents an increase of 6.2% YoY (+23.2% QoQ). In FY2019, MCGS posted net profit of QR78.2mn compared to a net profit amounting to QR84.5mn for the same period of the previous year. EPS amounted to QR0.28 in FY2019 as compared to QR0.30 in FY2018. Accordingly, the board has decided to put forward to the Ordinary General Assembly its recommendation for the distribution of cash dividends of 28% of the nominal share value i.e., QR0.28 per share. The company announced that it will hold an investor relations conference call to discuss the financial results for the period ending on December 31, 2019 and the company's performance on February 9, 2020. (QNB FS Research, QSE)
- **MPHC board to meet on February 20 to discuss financial statements; conference call to be held on February 27** – Mesaieed Petrochemical Holding Company (MPHC) announced that its board of directors will hold its meeting on February 20, 2020 to discuss and approve the consolidated financial statements for the period ended 31 December 2019. A conference call will also take place on February 27, 2020. (QSE)
- **GISS board to meet on February 19 to discuss financial statements; conference call to be held on February 26** – Gulf International Services (GISS) announced that its board of directors will hold its meeting on February 19, 2020 to discuss and approve the consolidated financial statements for the period ended 31 December 2019. A conference call will also take place on February 26, 2020. (QSE)
- **MERS board to meet on February 19 to discuss financial statements; conference call to be held on February 26** – Al Meera Consumer Goods Company (MERS) announced that its board of directors will hold its meeting on February 19, 2020 to discuss and approve the consolidated financial statements for the period ended 31 December 2019. A conference call will also take place on February 26, 2020. (QSE)
- **WOQOD opens Al Maamoura petrol station** – Qatar Fuel Company (WOQOD) opened Al Maamoura petrol station, on February 04, 2020, and by this it raised its network of petrol stations to 105. The Al Maamoura petrol station is spread over an area of 10,250 square meters and has 3 lanes with 9 dispensers for light vehicles, which will serve Al Maamoura area, and its neighborhood. (QSE)
- **Qatargas achieves major milestone with North Field Bravo Living Quarters Expansion project** – Qatargas has achieved a major milestone with its North Field Bravo (NFB) Living Quarters Expansion (LQX) Project as it safely and successfully completed the onshore fabrication of the living quarters' structure locally, a first in the country. The fabrication was done by Nakilat-Keppel Offshore Marine (N-KOM) at the Erhama Bin Jaber Al Jalahma Shipyard. The project is significant for Qatar as it is for the first time that a major offshore living quarter's structure has been entirely

manufactured at a local yard in the country. The project work scope includes the construction of a four-legged jacket and piles weighing about 2,200 tons. This will support the new living accommodation platform weighing around 2,800 tons and consisting of five decks, a fully equipped helideck, six bridge links to existing living quarters, services and utilities. The project has recently achieved 2.5mn safe man-hours without any lost time incidents with a peak manpower rate of over 900 people. The next major milestone of the project is the safe transportation and installation of the 5,000 tons of structure to offshore NFB this month. The load out, sail away and installation activities will be carried out by subcontractor Heerema using their heavy lift vessel 'Aegir'. (Gulf-Times.com)

- **Oxford Economics: Hydrocarbon gains, budget spending to boost Qatari economy** – Qatari economy will see further improvement in the medium term; Oxford Economics said and noted the country's GDP growth is seen averaging 2.9% in 2021-22. Key factors behind Oxford Economics' near-term projection on Qatar economy include some recovery in crude production, hydrocarbon sector gains because of gas prioritization, and fading weakness in non-hydrocarbon sector, supportive budget spending, sound banking sector, subdued inflation and efforts to revive tourism. The economy should gradually recover over the course of 2020, when Oxford Economics forecasts growth of 2.3%, with further improvement in the medium term, amid ongoing investment ahead of the World Cup 2022 and a rise in gas production. "Crude oil output rose just 0.1% in 2018 and we think it declined by 0.2% in 2019. Industrial production fell in 4Q2019 and nominal exports contracted throughout the year. With external demand risks diminishing, we retain our projection for oil output in 2020 of 615,000 barrels per day, above the levels achieved in 2018 and 2019," it said. Oxford Economics said Qatar's hydrocarbon sector stands to gain as gas is prioritized. The lifting of the moratorium on North Field gas projects will have a positive medium-term impact, with LNG capacity now seen growing by almost 65% to 126mn tons per year by 2027 from 77mn tpy currently and the Barzan gas facility should boost gas output in 2020, it said. The report noted weakness in non-hydrocarbon sector is fading. Growth in the non-oil sector averaged 3.5% in 2017-18 but slowed in 2019, notwithstanding outlays on infrastructure projects in preparation for the 2022 World Cup. (Gulf-Times.com)
- **Oxford Economics: Qatar 'economic risk score low' compared to MENA average** – Qatar's overall economic risk score of 3.3 is low, well below the MENA average of 5.1, Oxford Economics has said in its latest forecast. Risk is unchanged from six months ago but, with some signs of a resolution to the regional diplomatic dispute emerging, it could decline over the medium term. Risk scores are from 1 to 10, with 10 representing the highest risk, Oxford Economics said. The pace of growth has slowed since 2012, because of the moratorium on North Field gas expansion and then since 2014 because of lower oil prices and associated fiscal austerity. Growth disappointed in 2018 despite improved oil prices and has probably slowed to close to zero in 2019. It should, however, pick up this year on the back of a more supportive fiscal policy and with gas output expected to provide a further boost, the researcher noted. The demand risk

score of 4.0 is below the MENA average of 5.2, reflecting Qatar's very high per capita income, large government reserves and lack of overheating, the report said. "But risks may rise if the GCC diplomatic dispute continues to threaten investment, trade and project implementation, as well as the flow of people," Oxford Economics said. Geopolitics aside, the pace of domestic activity also remains dampened by weak oil and gas prices, though we see gradual relief from both supporting the recovery. The government's relatively strong fiscal position (compared with its GCC peers); planned infrastructure requirements for the 2022 World Cup and ongoing benefits for public sector workers will underpin demand growth, even as it gradually slows. The market cost risk score is 4.0, below the regional average of 5.1, reflecting weak inflationary pressures, a credible dollar peg and a very high GDP per capita. Nevertheless, headline inflation is likely to rise from current negative levels over the forecast horizon. (Gulf-Times.com)

- **Apicorp: Qatar leads MENA gas investment with \$15bn LNG projects** – The Middle East and North Africa (MENA) region including Qatar remains confident of the estimated committed and planned energy investments reaching \$1tn in the next five years despite a set of recent regional geopolitical events as well as global health concerns such as the coronavirus that has impacted China and prompted the Central Bank of China to inject \$174bn to support the economy, the Arab Petroleum Investments Corporation (Apicorp) has said in a report. Major upsides may possibly come from Qatar, where tenders for additional LNG processing trains estimated at \$15bn have recently been issued, the report said. On the supply side, Qatar continues to retain its position as the MENA's top gas exporter and is moving ahead with upgrades that will see its liquefaction capacity rises from the current 77 mtpa to 126 mtpa by 2027. The country has plans to nearly double its 65-strong LNG fleet by adding at least 60 new carriers at an estimated cost in excess of \$12bn. (Qatar Tribune)
- **Over QR22.8bn real estate deals recorded last year** – Qatar's real estate sector witnessed deals valuing more than QR22.8bn last year, demonstrating the strong interest of investors in country's growing real estate market. Deals worth QR1.58bn were done in December last year, compared to QR1.55bn in November, showing a growth of around two percent, according to the Qatar Monthly Statistics report released yesterday by the Planning and Statistics Authority. October emerged as the busiest month as it witnessed deals worth QR4.36bn, making it month with highest value of deals during the year. Regarding the data of buildings permits, the total number of permits issued during December 2019 reached 650 permits, recording a monthly decrease of 3.4%. As for the banking sector, total broad money supply (M2) reached around QR578bn during December 2019, registering an annual increase of 2.5% compared with December 2018. Cash equivalents, including commercial bank deposits, reached QR849.1bn during December 2019. The figure recorded an annual increase of 4.8% compared to December 2018, when deposits stood at approximately QR810.3bn. (Peninsula Qatar)
- **Qatar cuts January marine crude price to \$67.20 per barrel** – Qatar has set its January retroactive official selling price (OSP) for its Marine crude at \$67.20 a barrel, down 85 cents a barrel

from the previous month. That sets the OSP differential for Qatar Marine at \$2.91 above Dubai quotes, down 25 cents a barrel from a month ago. Qatar also set its January Qatar Land crude OSP at \$67.70 a barrel, down \$1.20 a barrel from the previous month, the document showed. That puts Land crude's OSP premium to Dubai quotes at \$3.41 a barrel, 60 cents lower than the previous month. (Zawya)

- **Qatar, Kuwait chambers assure successful 'Made in Qatar 2020'** – Officials of Qatar Chamber and the Kuwait Chamber of Commerce & Industry said they are strengthening cooperation and coordination for staging the 'Made in Qatar' exhibition slated from February 19 to 22 at the Kuwait International Fair in Kuwait. The exhibition is organized by the Qatar Chamber, in cooperation with the Ministry of Commerce and Industry, with Qatar Development Bank (QDB) as a strategic partner, in coordination with the Kuwait Chamber of Commerce & Industry. The four-day expo, which will be held on a 10,000 square meters area, will see a participation of about 220 Qatari manufacturing companies. 'Made in Qatar 2020' aims to promote Qatar's industry and products in Kuwait and to help the Kuwaiti business community learn about Qatar's industry developments and technologies in various sectors including petrochemicals, food industries, SMEs, and furniture, among others. Qatar-Kuwait trade relations have witnessed remarkable development within the past few years, the Qatar Chamber said in a statement. (Gulf-Times.com)
- **Vodafone keeps parents, kids in touch with Explorer Plan** – Vodafone Qatar has launched the Explorer Plan, a new postpaid plan for parents to stay in touch with their children and know they are safe while they explore, learn and discover things out of sight. Through Endless Internet and 250 minutes of local calls and SMS for QR50 per month, parents can easily stay connected with their children, the company said in a statement. Under the plan, children can use local minutes and SMS interchangeably. Endless Internet will be available at full speed for 1GB and thereafter at 64Kbps speed for unlimited usage. (Gulf-Times.com)

#### **International**

- **Defense aircraft demand lifts US factory orders; underlying softness remains** – New orders for US-made goods increased by the most in nearly one-and-a-half years in December, flattered by robust demand for defense aircraft, but persistently weak business spending on equipment pointed to limited scope for a sharp rebound in manufacturing. The report from the Commerce Department on Tuesday followed on the heels of a survey from the Institute for Supply Management on Monday showing manufacturing activity rebounded in January after contracting for five straight months. Factory goods orders surged 1.8% in December, the largest gain since August 2018. Data for November was revised down to show orders tumbling 1.2% instead of dropping 0.7% as previously reported. Excluding defense, factory orders dropped 0.6% in December after edging up 0.1% in the prior month. Economists polled by Reuters had forecasted factory orders would increase 1.2% in December. Factory orders fell 0.6% in 2019. While business sentiment has improved as trade tensions between the US and China has eased, confidence remains subdued. Washington and Beijing signed a Phase 1 trade deal last month, but US tariffs on

\$360bn of Chinese imports, about two-thirds of the total, remained in place. But machinery orders fell 1.0% in December after dropping 1.2% in November. Orders for electrical equipment, appliances and components orders decreased 0.3% in December. Shipments of core capital goods, which are used to calculate business equipment spending in the gross domestic product report, declined 0.3% in December, rather than falling 0.4% as previously reported. (Reuters)

- **US finalizes rule to slap duties on countries that undervalue currencies** – The US Commerce Department on Monday finalized a new rule to impose anti-subsidy duties on products from countries that it has determined undervalue their currencies against the dollar, including potentially China. The move could provide a fresh irritant in US-China trade talks just weeks after the world's two largest economies signed a Phase 1 trade agreement and comes a day after Beijing accused Washington of spreading fear about the fast-spreading coronavirus that originated in China. In theory, the new rule would allow the Commerce Department to impose duties on China, even though the US Treasury Department recently removed its designation of China as a currency manipulator as part of the Phase 1 trade deal. Commerce Department stated it would generally rely on the Treasury's expertise in determining undervaluation, but the two processes could come to different conclusions since they resulted from different statutes. The draft rule was first published in May. (Reuters)
- **US, Japan to cooperate on energy, infrastructure investment** – The US and Japan have signed an agreement to jointly encourage more private investment in energy and infrastructure projects, the US Treasury said on Tuesday. The Treasury said the world's largest and third-largest economies will work together to address regulatory, market, and legal barriers to private sector investment, and develop innovative solutions to deepen regional debt markets for energy and infrastructure projects. The memorandum of cooperation, signed by Treasury and Japan's economy and finance ministries, also will seek to crowd-in institutional investors, enhance commodity trading markets for liquefied natural gas and boost bilateral investment. The effort comes as the Trump administration is seeking ways to compete with China's massive Belt and Road infrastructure drive by offering private-sector led solutions. (Reuters)
- **Reuters poll: Corona-virus outbreak to drive retreat to safe-haven currencies** – The corona-virus outbreak grabbing the world's attention and which has likely wreaked havoc on its second-largest economy is set to give safe-haven currencies another lift over the coming month, a Reuters poll of market strategists found. The virus, which originated in China, has left authorities across the globe grappling with how to stop its rapid spread and financial markets in disarray. It was forecast to prop up safe havens like the Japanese yen and Swiss franc by 2% to 3% this month. It is also set to keep the US dollar, which has dominated most others in foreign exchange markets for around two years, on top into 2020, with half the analysts polled predicting it would last at least six months more. That lined up with currency speculators, who increased their bets in favor of the dollar for a second week, according to data from the US Commodity Futures Trading Commission. (Reuters)

- **Bloomberg: US mulls withdrawal from WTO's \$1.7tn purchasing pact** – The US is considering a plan to withdraw from a World Trade Organization (WTO) pact worth \$1.7tn in government contracts, Bloomberg reported on Tuesday, citing a source. Officials in the administration of US President, Donald Trump are circulating a draft executive order that will start a US exit from WTO's Government Procurement Agreement (GPA), if the pact is not changed as per US views. (Reuters)
- **UK builders see demand pick-up after Johnson's election win** – A measure of Britain's building industry had its strongest MoM improvement in almost two years in January as Prime Minister Boris Johnson's election win cleared short-term uncertainty overhanging the economy, a survey showed on Tuesday. The IHS Markit/CIPS UK Construction Purchasing Managers' Index (PMI) rose to 48.4 from 44.4 in December, still showing a decline in output but rebounding by more than the Reuters poll forecast of 46.6 and reaching its highest level since May. The PMI showed construction companies were the most optimistic about their growth prospects since April 2018. (Reuters)
- **Eurozone's producer prices fall at slower pace in December** – Eurozone's producer prices fell in December on the year for the fifth consecutive month but their drop was slower than in November, estimates from the EU statistics office showed on Tuesday. Eurostat said prices at factory gates in the 19 countries sharing the euro dropped by 0.7% YoY in December, after a 1.4% plunge in November, in line with market expectations. The slowdown in industry deflation was mostly caused by a less prominent fall in energy prices, which declined by 4.0% in December after a 6.1% drop in November. Without that volatile component, industrial producer prices rose 0.5% in December, up from 0.3% in November. Prices of non-durable consumer goods, such as clothing, went up by 2.1% on the year. Durable consumer goods, like fridges or cars, recorded a 1.3% inflation at factory gates. On the month, overall industry prices were flat in December, after a 0.1% rise in November, confirming market forecasts. Producer prices signal inflationary pressure early in the pipeline because, unless absorbed by intermediaries and retailers, changes are transmitted to the final consumer, impacting headline inflation. The European Central Bank wants to keep consumer inflation below, but close to 2% over the medium term, but has struggled to accelerate price growth for years despite programs of government bond buying on the market. Eurozone's headline inflation accelerated to 1.4% in January on the year from 1.3% in December, preliminary estimates from Eurostat showed last week. (Reuters)
- **Japan's services sector returns to growth in January as sales tax hike impact fades** – Japan's services sector returned to growth in January, as new business expanded at the fastest pace in seven months in a sign consumers may be gradually adjusting to a sales tax hike that had chilled spending. The final seasonally adjusted Jibun Bank Japan Services Purchasing Managers' Index (PMI) rose to 51.0 in January from a more than three-year low of 49.4 in December, but below a preliminary reading of 52.1. It marked the fastest pace of growth since last September, and was above the 50.0 threshold that separates contraction from expansion. The PMI data showed a jump in new business to its highest since June last year, and stronger

service sector employment and higher selling prices. The composite PMI, which includes both manufacturing and services, rebounded in January after seeing the fastest pace of decline since April 2014 in the previous month. The index advanced to 50.1 from December's final 48.6, expanding for the first time in four months. (Reuters)

- **China's services sector growth hits three-month low in January** – Growth in China's services sector slowed for a second straight month in January, a traditionally busy sales season, hitting a three-month low as companies cut prices and new orders dipped, a private sector survey showed on Wednesday. The Caixin/Markit services purchasing managers' index (PMI) slowed to 51.8 last month from 52.5 in December, but was still higher than an 8-month low hit in October. The index has stayed above the 50-point margin that separates growth from contraction on a monthly basis since late 2005. Beijing has been counting on a strong services sector to cushion a prolonged slowdown in manufacturing and investment and create jobs for workers laid-off in other areas. Caixin's composite manufacturing and services PMI, also released on Wednesday, slowed to 51.9 in January from 52.6 in December. (Reuters)
- **China central bank says huge cash injections to stabilize market expectations, restore confidence** – China's central bank said on Tuesday that its huge liquidity injections through open market operations this week showed its determination to stabilize financial market expectations and restore market confidence. The remarks were published on the official WeChat account of the People's Bank of China (PBOC) after it injected a total of 1.7tn Yuan (\$242.74bn) via reverse repos on Monday and Tuesday. The central bank said the larger-than-expected liquidity injection should push money market and bond yields down, and reduce financing costs and ease financial pressure on small, micro businesses. (Reuters)

### Regional

- **OPEC+ consults China for urgent analysis of virus threat to oil** – OPEC+ consulted with a Chinese ambassador as it conducted an urgent assessment of how the coronavirus may hurt oil demand, and what measures the group could take in response. The unusual appearance at the group's headquarters of Wang Qun, China's ambassador to international organizations in Vienna, underscores how the outbreak has upended the global market. Crude sank below \$50 a barrel in New York for the first time in more than a year on signs that fuel consumption in the world's biggest oil importer has plunged as much as 20%. Wang was attending a meeting of technical experts from the OPEC and its allies as they try to evaluate the disease's impact. (Gulf-Times.com)
- **Saudi Arabia's private sector growth in January slowest since December 2018** – Growth in Saudi Arabia's non-oil private sector was at its slowest in just over a year in January, as cautious consumer spending hampered new business growth and export sales dipped, a survey showed. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) declined to 54.9 in January from 56.9 in December. Any reading above the 50 mark indicates expansion. The headline figure - which gives a measure of operating conditions in the non-oil private economy - was the lowest since December 2018. "January data suggested that non-oil private sector companies

remained in expansion mode. However, business activity was again constrained by a slowdown in new order growth," Economics Associate Director at IHS Markit, Tim Moore said. "The latest rise in sales volumes was the softest recorded for 13 months," he said. Saudi Arabia, the world's biggest oil exporter, is aiming to boost the private sector and diversify its revenues, but will likely see its growth curbed this year because of sliding oil prices and crude output cuts agreed with OPEC allies. Growth in the non-oil private sector averaged 57.1 last year, index data showed, markedly up from a 53.8 average in 2018, when growth was sluggish after Riyadh introduced a 5% VAT to improve non-oil revenue generation after a plunge in oil prices from mid-2014. But it lost momentum in December, weighed down by slower output and new orders. In January, new export orders fell below the 50.0 no-change threshold for a second consecutive month, reflecting subdued business conditions in key overseas markets, according to the survey. Employment slowed down too in January, remaining just slightly above the 50 mark, the slowest rate of job creation since August 2019. (Reuters)

- **PIF sold most of Tesla stake ahead of biggest stock gains** – Saudi Arabia's sovereign-wealth fund, Public Investment Fund (PIF) sold almost all of its Tesla Inc. shares last quarter, nearly exiting what had been one of the largest holdings in the electric-car maker. The Saudi Arabia held just 39,151 shares at the end of the year, according to a regulatory filing. The fund previously had more than 8.2mn shares and ranked among the five biggest owners, according to data compiled by Bloomberg. The fund sold as Tesla went on an epic run to end the year, powered by a surprise profit and accelerated rollout of its next vehicle, the Model Y. However, the stock has only built on that momentum in 2020, already surging more than 125% on record deliveries, another strong earnings report and an even faster introduction of the new crossover. The Saudis factored prominently in Elon Musk's short-lived effort to take Tesla private a year and a half ago. After a report emerged that the fund had built a roughly \$2bn stake in the company, the billionaire Chief Executive Officer tweeted that he had funding secured for a buyout. (Bloomberg)
- **BJAZ posts 162.0% YoY rise in net profit to SR991mn in FY2019** – Bank AlJazira (BJAZ) recorded net profit of SR991mn in FY2019, an increase of 162.0% YoY. Total operating profit rose 11.7% YoY to SR2,977.2mn in FY2019. Total revenue for special commissions/investments rose 15.8% YoY to SR3,227.5mn in FY2019. Total assets stood at SR86.5bn at the end of December 31, 2019 as compared to SR73.0bn at the end of December 31, 2018. Loans and advances stood at SR49.7bn (+21.4% YoY), while customer deposits stood at SR62.7bn (+21.0% YoY) at the end of December 31, 2019. EPS came in at SR1.21 in FY2019 as compared to SR0.5 in FY2018. (Tadawul)
- **Taps open for Saudi listings after Saudi Aramco's record IPO** – Several Saudi Arabian companies are planning to list shares on the Riyadh exchange in coming months in the wake of oil giant Saudi Aramco's record IPO. Saudi Aramco raised \$29.4bn by listing about a 1.7% stake on the Tadawul in December. However, the Tadawul's average turnover over the past month, excluding Saudi Aramco, has stayed above the average turnover for 2019. "Aramco has demonstrated the full power of

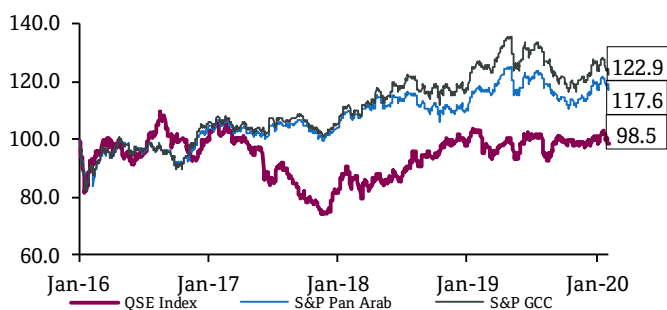
the Saudi market,” Chief Strategy Officer at Al Dhabi Capital Ltd in Abu Dhabi, Mohammed Ali Yasin said. The Sulaiman Al-Habib Medical Group, one of the Middle East’s biggest hospital operators, is among the first companies to seek a Riyadh listing after Saudi Aramco, having delayed the deal due to the state oil company’s IPO. It plans to raise around \$500mn and will launch the offering on February 5, according to sources close to the deal. (Reuters)

- **Saudi Arabia’s Supreme Foods plans IPO for 2Q2020** – Saudi Arabia’s Supreme Foods plans an IPO in the second quarter of 2020, according to sources close to the deal, Reuters reported. The IPO could raise SR300mn to SR400mn, the sources said. The company has hired Saudi Fransi Capital to manage the deal. It is expected to list on the Riyadh exchange. (Bloomberg)
- **UAE non-oil private sector shrinks in Jan for first time since 2009** – Activity in the UAE’s private sector shrank in January for the first time since 2009, with jobs in the private non-oil sector declining at one of the strongest rates on record, a survey showed. The seasonally adjusted IHS Markit UAE Purchasing Managers’ Index (PMI), which covers manufacturing and services, fell to 49.3 in January from 50.2 in December. Readings above 50 indicate expansion while readings below point to contraction. Growth in the country’s non-oil private sector slowed last year, hitting a decade-low in December, however, January was the first time the private sector shrank since 2009, when the economy was hobbled by a debt crisis in Dubai - one of the seven Emirates. “The IHS Markit UAE PMI continued to worsen in January, and this month fell below the 50.0 mark that separates growth from contraction for the first time in over ten years,” Economist at IHS Markit and author of the report, David Owen said. Economic growth in the UAE has been sluggish, especially in Dubai, which is also suffering from a property downturn and severe cuts in white-collar jobs. Demand slipped in January, with total new orders falling for the second time in three months, and firms struggled to improve sales, particularly within the domestic economy, the survey said. “Key to the decline were firms’ efforts to reduce employment at one of the fastest rates on record in order to streamline costs,” Owen said. The employment sub-index fell to 48.8 in January from 50.3 in December. The governments of Dubai and Abu Dhabi have boosted spending to provide stimulus to their economies, and the IMF expects economic growth in the UAE to pick up this year, rising to 2.5% from 1.6% in 2019. Dubai, which will host Expo 2020 this year, announced a record budget of around \$18bn for 2020, a 17% increase YoY. “Looking ahead, it is hoped by many firms that the upcoming Expo 2020 will restore new business volumes and kick-start activity,” Owen said. (Reuters)
- **Tabreed close to buying Emaar Properties' district cooling unit** – Dubai-listed National Central Cooling Co (Tabreed) is in advanced talks to buy Emaar Properties’ district cooling business, sources said. District cooling firms deliver chilled water via insulated pipes to cool offices, industrial and residential buildings. The Emaar business was established in 2004 and operates in UAE, which gave no details about its size. Tabreed, whose biggest shareholders are Abu Dhabi state fund Mubadala Investment Company and France’s Engie, has appointed HSBC to advise on the purchase, which is at an advanced stage, sources said. Emaar hired advisors including

Standard Chartered for the sale of the business, Reuters reported in May, as part of a broader plan to offload non-core activities. Emaar said it did not comment on speculation, adding by email: “As and when we have confirmation on announcements we will share further information.” (Reuters)

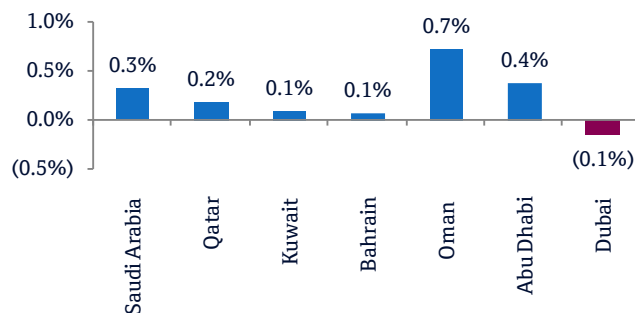
- **DP World sees positive signs of progress in new businesses** – Dubai-based port operator said it is seeing positive signs of progress in new businesses. The near-term focus is on integrating recent acquisitions, managing costs and disciplined investment. It said the remains are well placed to deliver full-year market expectations. DP World has handled 71.2mn TEU across its global portfolio of container terminals in 2019, with gross container volumes flat year-on-year on a reported basis and up +1% on a like-for-like basis. Like-for-like gross volumes in 4Q2020 accelerated to +2.1% with growth driven by Asia Pacific and Africa. Jebel Ali has handled 14.1mn TEU in 2019, down 5.6% on a YoY basis due to a decline in low margin cargo. (Bloomberg)
- **RAKBANK posts 4.1% YoY rise in net profit to AED255.9mn in 4Q2019** – The National Bank of Ras Al-Khaimah (RAKBANK) recorded net profit of AED255.9mn in 4Q2019, an increase of 4.1% YoY. Net interest income rose 1.1% YoY to AED710.4mn in 4Q2019. Operating profit before provisions for impairment fell 5.2% YoY to AED585.2mn in 4Q2019. Total assets stood at AED57.1bn at the end of December 31, 2019 as compared to AED52.7bn at the end of December 31, 2018. Gross loans and advances stood at AED36.3bn (+4.1% YoY), while deposits from customers stood at AED36.8bn (+7.9% YoY) at the end of December 31, 2019. (ADX)
- **Bahrain sells BHD26mn of 2.52% 182-day Sukuk; bid-cover at 5.57x** – Bahrain sold BHD26mn of 182 day Sukuk due on August 6, 2020. Investors offered to buy 5.57 times the amount of securities sold. The Sukuk have a yield of 2.52% and will settle on February 6, 2020. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,552.92	(1.5)	(2.3)	2.3
Silver/Ounce	17.59	(0.5)	(2.5)	(1.4)
Crude Oil (Brent)/Barrel (FM Future)	53.96	(0.9)	(7.2)	(18.2)
Crude Oil (WTI)/Barrel (FM Future)	49.61	(1.0)	(3.8)	(18.8)
Natural Gas (Henry Hub)/MMBtu	1.89	(0.5)	(1.0)	(9.6)
LPG Propane (Arab Gulf)/Ton	37.50	(0.7)	(8.5)	(9.1)
LPG Butane (Arab Gulf)/Ton	60.00	1.7	(18.6)	(8.4)
Euro	1.10	(0.1)	(0.4)	(1.5)
Yen	109.52	0.8	1.1	0.8
GBP	1.30	0.3	(1.3)	(1.7)
CHF	1.03	(0.3)	(0.6)	(0.2)
AUD	0.67	0.7	0.7	(4.0)
USD Index	97.96	0.2	0.6	1.6
RUB	63.12	(0.9)	(1.3)	1.8
BRL	0.24	(0.2)	0.6	(5.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,383.30	1.4	1.7	1.1
DJ Industrial	28,807.63	1.4	2.0	0.9
S&P 500	3,297.59	1.5	2.2	2.1
NASDAQ 100	9,467.97	2.1	3.5	5.5
STOXX 600	418.47	1.4	1.5	(1.1)
DAX	13,281.74	1.6	1.9	(1.3)
FTSE 100	7,439.82	1.8	0.8	(3.1)
CAC 40	5,935.05	1.6	1.8	(2.4)
Nikkei	23,084.59	(0.2)	(1.5)	(2.9)
MSCI EM	1,085.39	2.4	2.2	(2.6)
SHANGHAI SE Composite	2,783.29	1.7	(7.7)	(9.2)
HANG SENG	26,675.98	1.2	1.4	(5.1)
BSE SENSEX	40,789.38	2.6	0.8	(1.0)
Bovespa	115,556.70	0.6	2.3	(5.6)
RTS	1,547.19	1.7	2.0	(0.1)

Source: Bloomberg (\*\$ adjusted returns)

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