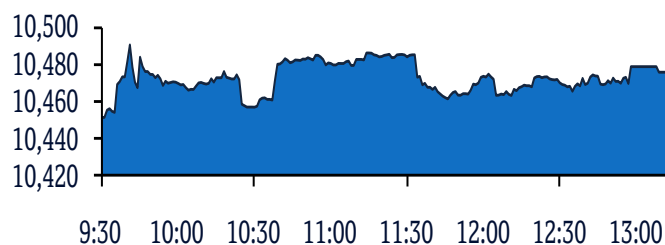


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.4% to close at 10,477.1. Gains were led by the Insurance and Telecoms indices, gaining 2.5% and 1.3%, respectively. Top gainers were Qatar General Insurance & Reinsurance Company and Gulf International Services, rising 8.1% and 3.0%, respectively. Among the top losers, Ahli Bank fell 1.1%, while Qatari German Company for Medical Devices was down 1.0%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.6% to close at 8,667.7. Gains were led by the Consumer Dur. and Software & Serv. indices, rising 4.3% and 2.8%, respectively. Al-Samaani Factory for Metal and Wafrah for Industry were up 10.0% each.

Dubai: The DFM Index gained 2.9% to close at 2,579.0. The Real Estate & Construction index rose 3.9%, while the Investment & Financial Services index gained 3.8%. Emaar Properties rose 5.3%, while Gulf Navigation was up 5.1%.

Abu Dhabi: The ADX General Index gained 0.7% to close at 5,115.5. The Energy index rose 2.3%, while the Industrial index gained 1.5%. Gulf Pharmaceutical Industries rose 5.3%, while Abu Dhabi National Takaful Company was up 4.6%.

Kuwait: The Kuwait All Share Index fell 0.2% to close at 5,536.1. The Technology index declined 1.4%, while the Consumer Goods index fell 1.0%. Yiacco Medical Company declined 14.1%, while Hayat Communications was down 8.9%.

Oman: The MSM 30 Index gained 0.4% to close at 3,695.2. Gains were led by the Financial and Industrial indices, rising 0.6% and 0.5%, respectively. Muscat Thread Mills Company rose 9.7%, while Muscat Finance was up 8.1%.

Bahrain: The BHB Index fell 0.4% to close at 1,483.3. The Commercial Banks index declined 0.7%, while the Industrial index fell 0.6%. INOVEST Company declined 9.7%, while National Bank of Bahrain was down 1.9%.

Market Indicators	04 Jan 21	03 Jan 21	%Chg.
Value Traded (QR mn)	245.6	141.5	73.5
Exch. Market Cap. (QR mn)	605,243.7	602,724.1	0.4
Volume (mn)	105.3	95.3	10.5
Number of Transactions	5,284	3,119	69.4
Companies Traded	46	43	7.0
Market Breadth	30:13	16:24	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	20,141.93	0.4	0.4	0.4	17.8
All Share Index	3,216.73	0.5	0.5	0.5	18.6
Banks	4,275.38	0.5	0.6	0.6	15.1
Industrials	3,100.74	0.3	0.1	0.1	27.7
Transportation	3,302.18	0.6	0.2	0.2	15.1
Real Estate	1,940.93	0.3	0.6	0.6	17.1
Insurance	2,435.62	2.5	1.7	1.7	N.A.
Telecoms	1,011.55	1.3	0.1	0.1	15.1
Consumer	8,207.01	0.2	0.8	0.8	29.1
Al Rayan Islamic Index	4,289.39	0.4	0.5	0.5	19.7

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Kayan Petrochem.	Saudi Arabia	14.88	6.4	42,331.3	4.1
Emaar Properties	Dubai	3.77	5.3	36,434.8	6.8
Emirates NBD	Dubai	10.95	4.3	4,596.1	6.3
Mouwasat Medical Serv.	Saudi Arabia	138.20	3.9	74.4	0.1
ADNOC Distribution	Abu Dhabi	3.93	3.4	13,274.8	4.8

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
National Bank of Bahrain	Bahrain	0.62	(1.9)	175.4	(1.9)
Gulf Bank	Kuwait	0.22	(0.9)	2,703.7	(0.9)
Mabane Co.	Kuwait	0.65	(0.8)	1,054.0	(0.8)
Saudi Industrial Inv.	Saudi Arabia	26.25	(0.8)	322.5	(4.2)
Ahli United Bank	Bahrain	0.76	(0.7)	324.2	(0.7)

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%
Ahli Bank	3.41	(1.1)	10.4	(1.1)
Qatari German Co for Med. Dev.	2.20	(1.0)	3,258.4	(1.7)
Qatar Islamic Insurance Company	6.75	(0.7)	0.9	(2.2)
Qatar Oman Investment Co.	0.88	(0.6)	4,349.2	(0.8)
Mesaieed Petrochemical Holding	2.04	(0.3)	1,221.3	(0.2)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.05	0.7	42,871.0	1.2
Al Khalij Commercial Bank	1.87	0.8	23,755.7	1.9
Masraf Al Rayan	4.51	(0.2)	14,079.9	(0.4)
Mazaya Qatar Real Estate Dev.	1.28	0.7	13,816.9	1.3
Qatar Fuel Company	18.89	(0.1)	12,607.4	1.1

Source: Bloomberg (* in QR)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	2.65	8.1	21.4	(0.4)
Gulf International Services	1.74	3.0	4,906.6	1.5
Qatar National Cement Company	4.26	2.6	215.1	2.6
Qatar Insurance Company	2.43	1.8	1,404.0	2.9
Vodafone Qatar	1.36	1.3	1,607.5	1.6

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.65	0.5	15,023.8	0.3
Al Khalij Commercial Bank	1.87	0.8	12,770.7	1.9
Mazaya Qatar Real Estate Dev.	1.28	0.7	10,741.3	1.3
Aljjarah Holding	1.25	0.0	7,589.8	0.6
Investment Holding Group	0.60	0.3	7,274.7	0.2

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,477.12	0.4	0.4	0.4	0.4	66.75	164,384.2	17.8	1.5	3.8
Dubai	2,579.00	2.9	3.5	3.5	3.5	118.78	94,969.1	12.0	0.9	3.8
Abu Dhabi	5,115.46	0.7	1.4	1.4	1.4	122.52	199,957.8	20.3	1.4	4.8
Saudi Arabia	8,667.66	0.6	(0.3)	(0.3)	(0.3)	1,961.46	2,418,708.9	34.8	2.1	2.4
Kuwait	5,536.07	(0.2)	(0.2)	(0.2)	(0.2)	101.22	103,039.4	35.6	1.4	3.5
Oman	3,695.16	0.4	1.0	1.0	1.0	3.82	16,622.5	11.1	0.7	6.8
Bahrain	1,483.30	(0.4)	(0.4)	(0.4)	(0.4)	2.19	22,682.4	14.4	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)

Qatar Market Commentary

- The QE Index rose 0.4% to close at 10,477.1. The Insurance and Telecoms indices led the gains. The index rose on the back of buying support from Qatari shareholders despite selling pressure from GCC, Arab and Foreign shareholders.
- Qatar General Insurance & Reinsurance Company and Gulf International Services were the top gainers, rising 8.1% and 3.0%, respectively. Among the top losers, Ahli Bank fell 1.1%, while Qatari German Company for Medical Devices was down 1.0%.
- Volume of shares traded on Monday rose by 10.5% to 105.3mn from 95.3mn on Sunday. However, as compared to the 30-day moving average of 210.1mn, volume for the day was 49.9% lower. Salam International Investment Limited and Al Khalij Commercial Bank were the most active stocks, contributing 14.3% and 12.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	33.37%	38.34%	(12,203,131.6)
Qatari Institutions	25.85%	13.18%	31,099,200.9
Qatari	59.21%	51.52%	18,896,069.2
GCC Individuals	0.57%	1.26%	(1,700,004.6)
GCC Institutions	3.76%	4.14%	(954,432.8)
GCC	4.33%	5.41%	(2,654,437.4)
Arab Individuals	10.56%	13.91%	(8,232,929.4)
Arab Institutions	0.00%	–	266.0
Arab	10.56%	13.91%	(8,232,663.4)
Foreigners Individuals	5.47%	4.55%	2,261,267.0
Foreigners Institutions	20.44%	24.62%	(10,270,235.4)
Foreigners	25.91%	29.17%	(8,008,968.4)

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

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/04	US	Markit	Markit US Manufacturing PMI	Dec	57.1	56.3	56.5
01/04	UK	Markit	Markit UK PMI Manufacturing SA	Dec	57.5	57.3	57.3
01/04	EU	Markit	Markit Eurozone Manufacturing PMI	Dec	55.2	55.5	55.5
01/04	Germany	Markit	Markit/BME Germany Manufacturing PMI	Dec	58.3	58.6	58.6
01/04	France	Markit	Markit France Manufacturing PMI	Dec	51.1	51.1	51.1
01/04	Japan	Markit	Jibun Bank Japan PMI Mfg	Dec	50.0	–	49.7
01/04	China	Markit	Caixin China PMI Mfg	Dec	53.0	54.7	54.9
01/04	India	Markit	Markit India PMI Mfg	Dec	56.4	–	56.3

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 4Q2020 results	No. of days remaining	Status
QNBK	QNB Group	12-Jan-21	7	Due
MARK	Masraf Al Rayan	19-Jan-21	14	Due
QFLS	Qatar Fuel Company	21-Jan-21	16	Due
KCBK	Al Khalij Commercial Bank	27-Jan-21	22	Due
DHBK	Doha Bank	8-Feb-21	34	Due

Source: QSE

Qatar

- HH the Amir to lead state's delegation to GCC summit** – The Amir HH Sheikh Tamim bin Hamad Al Thani will lead the State of Qatar's delegation participating in the 41st session of the Supreme Council of the Cooperation Council for the Arab States of the Gulf (GCC), set to take place today in Al-Ula Governorate in the Kingdom of Saudi Arabia, QNA reported. On the reconciliation aspects, the State of Kuwait announced that the Kingdom of Saudi Arabia and the State of Qatar reached an agreement to open airspace as well as land and sea borders starting last night. Foreign Minister of the State of Kuwait, HE Sheikh Dr. Ahmed Nasser Al Mohammed Al Sabah, said in a statement broadcast on Kuwait Television that Amir of the State of Kuwait, HH Sheikh Nawaf Al Ahmad Al Jaber Al Sabah, held a phone call with the Amir HH Sheikh Tamim bin Hamad Al Thani and HRH Crown Prince, Deputy Prime Minister, and Minister of Defence of the Kingdom of Saudi Arabia, Prince Mohammed bin Salman bin Abdulaziz Al Saud. The Foreign Minister of Kuwait added that the calls stressed the commitment of all parties involved to unity by signing the Al-Ula declaration, which he added would serve as a fresh start for brotherly ties unobstructed by any differences. He added that, based on a proposal by HH the Amir of Kuwait, the two sides agreed to open airspace as well as land and sea borders starting yesterday night. Sheikh Dr. Ahmed Nasser Al Mohammad Al Sabah added that HH the Amir of Kuwait expressed his great gratitude to the Custodian of the Two Holy Mosques King Salman bin Abdulaziz and HRH Crown Prince Mohammed bin Salman bin Abdulaziz for their commitment to the success of the summit. His Highness also expressed his confidence that leaders of GCC members and the Arab Republic of Egypt are keen to ensure that the summit will be one of reconciliation and solidarity, and that all issues could be addressed so that things could return to normal. The Gulf Cooperation Council 41st Summit will begin today at the invitation of the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud of Saudi Arabia with the participation of the member states' leaders, KUNA reported. The summit will be hosted in the historic city of Al Ula in northwest Saudi Arabia amid the exceptional circumstances due to the COVID-19 pandemic, which reflects the keenness of the Gulf leaders to continue coordination and cooperation under the umbrella of this interconnected system. (Peninsula Qatar)
- Fitch: Gulf thaw may boost Qatar's non-oil economy** – A resolution of the dispute between Qatar and its Gulf neighbors is expected to bolster prospects for the gas-rich nation's non-oil economy over the medium term, according to Fitch Ratings. "A resumption of travel links will eventually lift tourism inflows, and greater interest from regional buyers could support the real estate market, which has been in a multi-year downturn," the ratings agency said in a note. (Bloomberg)
- QFLS to disclose its annual financial results on January 20** – Qatar Fuel Company (QFLS) will disclose its financial statement for the period ending December 31, 2020 on January 20, 2021. (QSE)
- QFLS to hold its investors relation conference call on January 21** – Qatar Fuel Company (QFLS) announced that the conference call with the Investors to discuss the financial results for the Annual 2020 will be held on January 21 at 11:00 am, Doha time. (QSE)
- Inauguration of the newest regional hub for GWCS in Ras Bufontas Free Zone** – Gulf Warehousing Company (GWCS), authorized service contractor for UPS in Qatar, inaugurated its regional hub in the free zone located in Ras Bufontas. The opening ceremony was held on December 31, 2020 under the patronage of Minister of State and Chairman of QFZA, HE Ahmad bin Mohammed Al Sayed and Chairman of GWCS, Sheikh Abdullah bin Fahad bin Jassim bin Jabor Al-Thani. GWCS is the first logistics company to start operations in the newly established Ras Bufontas Free Zone, which is adjacent to the Hamad International Airport. This location will enhance GWCS' capabilities and strengthen its role in expanding Qatar as a hub for transit, trade and value-added services. Among the services offered from the facility are freight, customs clearance, frozen/chilled/climatized storage, transportation, and the company's advanced IT infrastructure. The hub was built to be GSAS1 certified, which means that through energy and water saving technology, as well as other features, the hub operates in a highly sustainable, environmentally friendly manner. The hub also features two warehouses, one at 1,500 square meters, with the temperature controlled at 18 degrees Celsius and above, and the other 4,500 square meters, with four frozen storage chambers that can range from 0 to -25 degrees Celsius depending on requirements, as well as a bulk storage area. These warehouses will offer unmatched logistical and last mile delivery options to the aviation, pharmaceutical and events industries including FIFA World Cup Qatar 2022. (QSE, Gulf-Times.com)
- QGRI discloses a lawsuit** – Qatar General Insurance & Reinsurance Company (QGRI) has disclosed its registration of a Lawsuit Number 2 / 2021 "Plenary Commercial Court" against Al Sari Trading Company and its first owner (former Chairman of the Board of Directors of Qatar General Insurance and Reinsurance Company) and the second owner of Al Sari Trading Company before the Court of First Instance circuit number (10) in Al-Dafna. (QSE)
- UDCD inks financing pact for developing commercial complex** – United Development Company (UDCD) announced it has signed agreement for financing the project of developing Commercial Complex and annexure for Marina Service Centre in Giardino Village area at The Pearl Qatar. Giardino Village is a highly prized residential district featuring beautiful gardens and a private living space for residents. "The objective to be achieved from the operation is to develop the project of commercial complex and annexure for Marina Service Centre in Giardino Village area, at The Pearl Qatar. The total value of the operation is QR105mn," said the company in a filing to the Qatar Stock Exchange (QSE). The agreement was entered between UDCD and Dukhan Bank for financing the project. "The method of payment and the sources of financing of the operation are installments over a

period of approximately 17 years,” said the company. The company has said that there is no change in ownership ratios before and after the completion of the process. (QSE, Peninsula Qatar)

- **Nakilat takes delivery of newbuild LNG carrier 'Global Star'** – Nakilat has taken delivery of a newbuild liquefied natural gas (LNG) carrier “Global Star”, which will be commercially and technically managed in-house by Nakilat. Built by Daewoo Shipbuilding and Marine Engineering (DSME), this is the second out of the four LNG carrier new-builds to be delivered to Global Shipping Company, a joint venture of Nakilat (60%) and Maran Ventures Inc. (40%). The first newbuild “Global Energy” was safely delivered in May 2020. The delivery of all four newbuild LNG carriers will bring Nakilat’s fleet to 74 vessels, which is less than 12% of the current global LNG fleet based on carrying capacity. (Gulf-Times.com)
- **ORDS, Ericsson sign five-year strategic 5G agreement** – Ooredoo Group (ORDS) and Ericsson have signed a global frame agreement for the supply of 5G radio, core, and transport products and solutions, as well as related implementation and integration services for all 10 of the group’s operating companies in Qatar, Indonesia, Algeria, Iraq, Kuwait, Oman, Palestine, Tunisia, Myanmar, and Maldives. The agreement covers Ericsson Radio System, including MINI-LINK 6000 products that are capable of the 10Gbps, Ericsson Cloud Core, Cloud Infrastructure, and Ericsson Cloud Communication solutions. This will enable end-to-end 5G support to digitally transform and modernize Ooredoo’s existing mobile networks across its operating companies. These solutions will also significantly shorten time-to-market for new services and improve Ooredoo’s network performance to meet the growing expectations of consumers and enterprises. Ericsson Radio System is already deployed and live in several of Ooredoo’s operating companies. In Ooredoo Qatar’s network, Ericsson Radio System, using the 4G+5G Ericsson Spectrum Sharing solution, has facilitated a fast nationwide 5G coverage. Furthermore, in preparation of Ooredoo Qatar’s network to host multiple global sporting events, Ericsson is deploying its latest 5G mid-band Massive MIMO radios to create a unique digital experience for millions of sports fans in the stadiums, at home, or on-the-go. (Gulf-Times.com)
- **Qatar commercial banks witness strong loan extension to private sector** – Qatar’s commercial banks witnessed strong loan extension to the private sector – especially services, trading and consumption segments, thus leading to a double-digit growth in domestic credit in November as Doha lifted the COVID-19-related restrictions, according to the central bank data. Credit to trading and services sectors outpaced the total domestic credit, according to the Qatar Central Bank (QCB) data. Total domestic credit grew 10.48% YoY to QR1.05tn at the end of November 30, 2020. The strong credit pick up is an indicator of the resilience in the private sector, for which the government had extended QR75bn stimulus package that included a zero-coupon QR50bn repo facility. The commercial banks’ credit to the services sector saw an 18.51% yearly expansion to QR328.59bn, which constituted 31% of the total domestic loans this November. The credit to the general services witnessed a 16.12% YoY jump to QR291.8bn, which was 89% of the total credit to the services sector. Within the general services, credit to air transport was

QR94.4bn, realty QR77.73bn, hotels QR27.89bn, non-specified QR21.56bn, engineering QR18.89bn, land transport QR16.77bn, petroleum QR7.77bn at the end of November 2020. In the case of financial services, it registered an impressive 41.66% YoY surge to QR36.79bn at the end of November this year with large chunk directed towards investment companies (QR24.21bn), investment funds (QR6.61bn), non-specified (QR4.44bn) and insurance (QR1.32bn). The banks' credit to the trading sector witnessed a 13.87% YoY expansion to QR159.46bn or 15% of the total domestic loans in November 2020. Within the trading sector, as much as QR57.37bn went to the commercial agencies, QR36.03bn to non-specified, QR9.67bn to automobiles and spare parts, QR8.77bn to food products, QR8.09bn to chemicals and allied products, QR7.99bn to machinery and equipment, QR7.26bn to petroleum products, QR4.18bn to building materials and gypsum products, QR3.28bn to clothing and leather, QR3.04bn to petroleum refinery and QR2.95bn to agriculture and allied products. The credit to the real estate was up 5.65% YoY to QR204.78bn, which was 19% of the total domestic credit in November 2020. As much as QR79.01bn went to the developers, QR60.55bn for commercial housing and QR23.48bn for the private housing. The consumption credit increased 7.97% YoY to QR147.22bn, constituting 14% of the total domestic credit in November 2020. The consumption credit to nationals amounted to QR135.3bn, of which as much as QR73.43bn was unspecified, QR60.43bn as personal loans and auto loans to the tune of QR1.44bn. The consumption credit to non-Qataris stood at QR11.92bn in the review period with personal loans constituting QR8.74bn, unspecified QR2.95bn and auto loans of QR0.24bn. (Gulf-Times.com)

- **Doha Bank official: Qatar's economy well poised to provide significant opportunities for investors in 2021** – The good relative valuation and strong macro fundamentals make Qatar’s economy well poised to become one of the frontrunners that provide significant opportunities for investors seeking higher returns in 2021, a top official of Doha Bank has said. In this regard, Gudni Stiholt Adalsteinsson, chief treasury and investment officer, Doha Bank, said one of the best ways for investors to seek an exposure to Qatar economy is via Qatar Exchange Traded Funds (QETF), which has provided a cumulative return of 36.5% since its inception in 2018. "When asking if the Qatar market passes the test of good relative value and strong fundamentals, the evidence is strong," he said. Qatar has been blessed with strong fundamentals such as vast hydrocarbon reserves and exceptionally high per capita income as well as the government’s strong balance sheet which is becoming a key metric for investors in 2021, he said. In its latest assessment of the country, the International Monetary Fund (IMF) said the growing natural gas production and a rebound in domestic demand will help Qatar return to economic growth next year. (Gulf-Times.com)
- **Qatar 2022 stadiums continue to take shape despite pandemic** – With less than two years to go until the FIFA World Cup Qatar 2022, the Supreme Committee for Delivery & Legacy made major progress in stadium delivery during 2020. One of the major highlights of last year was the virtual launch of Education City Stadium, which took place amidst protective measures implemented by the State of Qatar to prevent the spread of COVID-19. The stadium’s successful completion was dedicated

to frontline workers who have worked tirelessly during the ongoing pandemic. Later in the year, on Qatar National Day, and in the presence of His Highness the Amir Sheikh Tamim bin Hamad Al-Thani, Ahmad Bin Ali Stadium was unveiled to the world in a spectacular ceremony during the 48th Amir Cup final - making it the fourth fully operational Qatar 2022 tournament venue to be inaugurated. Four more stadiums are being constructed for Qatar 2022, with Al Bayt Stadium in the final stages of delivery. All the venues will be completed and tested well in advance of the tournament, which kicks off on November 21, 2022. (Gulf-Times.com)

- **Qatar Airways expands South America connectivity, codeshare cooperation with LATAM Airlines Brasil** – Qatar Airways has increased São Paulo services to 10 weekly flights and expanded codeshare cooperation with LATAM Airlines Brasil optimizing connectivity for both airline’s passengers to and from destinations in Asia, the Middle East and South America. The new codeshare agreement will further strengthen the two airlines’ strategic partnership, first initiated in 2016 and recently expanded in June 2019. The expanded agreement will allow Qatar Airways passengers to book travel on 45 additional LATAM Airlines Brasil flights and to access over 40 domestic and international destinations on the South American carrier’s network, including Brasilia, Curitiba, Porto Velho, Rio Branco, Rio de Janeiro, San Jose, Lima (Peru), Montevideo (Uruguay) and Santiago (Chile). LATAM Airlines Brasil passengers will also benefit from access to the recently expanded 10 weekly flights to and from Sao Paulo, operated by Qatar Airways’ state-of-the-art Airbus A350-1000 that features the ‘World’s Best Business Class’ seat- Qsuite. (Gulf-Times.com)

International

- **IHS Markit: US final manufacturing PMI ends 2020 at 6-year high** – US manufacturing activity picked up at its briskest pace in more than six years in December, extending a recovery in the factory sector that has spurred the strongest pricing environment for goods producers since 2011 as the coronavirus pandemic upends supply chain networks. Still, IHS Markit’s final manufacturing purchasing managers’ survey of a rocky 2020, released on Monday, showed the sector’s rebound was uneven. Consumer goods makers saw weaker order flow as COVID-19 infections surged and limited consumer spending, while producers of machinery and equipment noted strong demand in a potential sign of improving business investment, said Chris Williamson, Chief Business Economist at IHS Markit. IHS Markit said its manufacturing PMI climbed to 57.1 in December from 56.7 in November. The index also improved from its preliminary - or “flash” - reading in mid-December of 56.5, with a reading above 50 signaling expansion in activity. The index finished 2020 at its highest level since September 2014, with December’s gain marking the eighth straight month of improvement after plunging to its lowest in more than a decade in April when the first rounds of business shutdowns to contain COVID-19 were in full swing. With output moderating to 58.3 last month from 59.2 in November, the headline index’s improvement was driven largely by a strong pricing environment, IHS Markit said. Its output price index rose to its highest since May 2011. (Reuters)
- **US construction spending races to record high in November** – US construction spending rose to a record high in November,

boosted by a robust housing market amid historically low mortgage rates, which could help blunt some of the hit on the economy from raging COVID-19 infections. The Commerce Department said on Monday that construction spending increased 0.9% to \$1.459 trillion, the highest level since the government started tracking the series in 2002. Data for October was revised higher to show construction outlays accelerating 1.6% instead of 1.3% as previously reported. Strong construction spending supports economists’ predictions that the economy grew at around a 5% annualized rate in the fourth quarter. The sharp step-down from a record 33.4% pace in the third quarter reflects a resurgence in coronavirus cases, which has slammed the services sector. Growth is also slowing following the exhaustion of more than \$3 trillion dollars in government pandemic relief and delays in approving another rescue package. Nearly \$900 billion in fiscal stimulus was approved in late December. Construction spending accounts for about 5% of gross domestic product. (Reuters)

- **Factories bounce back from COVID-19 hit, tighter controls cloud outlook** – Manufacturers across Europe ended 2020 on a high while Asian factory activity expanded moderately thanks to robust demand in regional giant China, surveys showed, but the prospect of tougher coronavirus curbs clouded the outlook for the recovery. Despite hopes that vaccination programs being rolled out will eventually quell the virus, a resurgence of infections is forcing many countries to reimpose strict controls on economic activity, possibly hurting large exporters such as China and Germany. Activity in Eurozone manufacturing increased at its fastest pace since mid-2018 last month, suggesting the bloc’s economy was less hard hit by the pandemic than earlier in the year. IHS Markit’s final Eurozone Manufacturing Purchasing Managers’ Index (PMI) rose to 55.2 in December from November’s 53.8, although that was below the initial 55.5 “flash” estimate. Anything above 50 indicates growth, and December was the highest reading since May 2018. An index measuring output, which feeds into a composite PMI due on Wednesday that is seen as a good guide to economic health, rose to 56.3 from 55.3. Germany was again the bloc’s driving force and in contrast to the dominant service industry - which has been particularly badly impacted by lockdown measures to tackle the coronavirus - factories in the region have mostly remained open. Britain’s PMI bounced to a three-year high of 57.5, but that surge was likely in large part due to factories rushing to complete orders before the UK’s transition period on its way to leaving the European Union ended. (Reuters)
- **PMI: Eurozone manufacturing ends 2020 on high as German factories hum** – Manufacturers in the Eurozone ended 2020 on a high, with activity in the sector increasing at its fastest pace since mid-2018, suggesting the bloc’s economy was less hard hit by the pandemic than earlier in the year, a survey showed. Germany was again the driving force and in contrast to the bloc’s dominant service industry - which has been particularly badly impacted by lockdown measures to tackle the coronavirus - factories in the region have mostly remained open. IHS Markit’s final Manufacturing Purchasing Managers’ Index (PMI) rose to 55.2 in December from November’s 53.8, although that was below the initial 55.5 “flash” estimate. Anything above 50 indicates growth, and December was the highest reading since May 2018. An index measuring output, and which feeds into a

composite PMI due on Wednesday that is seen as a good guide to economic health, rose to 56.3 from 55.3. “The economy consequently looks set to be hit by the pandemic in the fourth quarter far less than the unprecedented decline in the second quarter thanks to the resilience of manufacturing,” said Chris Williamson, chief business economist at IHS Markit. Although the Eurozone economy likely contracted again last quarter as renewed lockdown measures stifled activity, a December Reuters poll suggested the bloc’s GDP will return to pre-crisis levels within two years. New orders increased amid strong demand for German goods and in part reflecting a temporary spike in British demand prior to the end of the Brexit transition period. But despite strong demand and factories building up a backlog of orders at one of the sharpest paces in nearly three years, headcount was reduced again last month, albeit at a slower pace. The employment index nudged up to 49.2 from 48.7. (Reuters)

- **India's manufacturing sector ends 2020 on brighter note** – India’s factory sector ended a rough 2020 on a stronger note as manufacturers boosted production to meet rising demand, a private survey showed, although the employment situation worsened as firms continued to reduce headcounts. Manufacturing has been one of the main engines driving a recovery in Asia’s third-largest economy after a coronavirus-induced slump early in the year. Business activity is slowly improving after contracting at an annual pace of 23.9% and 7.5% respectively in the April-June and July-September quarters. The Nikkei Manufacturing Purchasing Managers’ Index, compiled by IHS Markit, rose slightly to 56.4 in December from November’s 56.3, above the 50-level separating growth from contraction for a fifth month. “The latest PMI results for the Indian manufacturing sector continued to point to an economy on the mend, as a supportive demand environment and firms’ efforts to rebuild safety stocks underpinned another sharp rise in production,” noted Pollyanna De Lima, economics associate director at IHS Markit. Both new orders and output continued to grow strongly, albeit at a slower pace. New export orders rose at the slowest pace in four months as a recent surge in coronavirus cases dampened overseas demand. Rising demand, however, failed to improve conditions in the labor market, with manufacturers continuing to cut jobs. (Reuters)
- **Brazil posts 2020 trade surplus of \$51bn, up 6% from year before** – Brazil posted a \$51bn trade surplus last year, official figures showed on Monday, a 6% increase from the year before as the COVID-19 pandemic hit imports harder than exports. Latin America’s largest economy exported goods worth \$209.9bn last year, down from \$225.4bn the year before, the Economy Ministry said on Monday, adding that imports fell to \$158.9bn from \$177.3 bn. Total trade volume last year fell 7.7% on a daily average basis, but the annual surplus widened 6% from than the \$48.1bn recorded in 2019, the figures showed. Agriculture exports rose 6% to \$45.3bn last year, while mining industry exports fell to \$48.8bn and exports of manufactured goods fell 11% to \$115bn, the ministry said. Imports from Asia last year fell 5% to \$55.8bn, the figures showed, while imports from North and South America slumped by almost a fifth and imports from Europe fell 14%. For the month of December, Brazil posted a \$42 million trade deficit, on exports of \$18.365bn and imports of \$18.407bn. The median forecast in a Reuters poll of economists

was for a \$200 million surplus. Exports to Asia rose 7% to \$99.2bn, accounting for almost half of all exports, while exports to North America and elsewhere in South America each slumped by around a fifth to \$29.5bn and \$22.7bn, respectively. (Reuters)

Regional

- **Most OPEC+ producers oppose output increase** – Most OPEC+ oil-producing countries oppose plans to increase output from February as winter lockdowns to contain the coronavirus choke demand, four OPEC+ sources told Reuters on Monday. OPEC+, which groups OPEC and other producers including Russia. On Sunday, OPEC Secretary General, Mohammad Barkindo warned OPEC+ experts of downside risks facing the oil market. On Monday, Saudi Energy Minister, Prince Abdulaziz bin Salman said OPEC+ should be vigilant and cautious despite a generally optimistic market environment as demand for fuels remains fragile and the new variant of coronavirus is unpredictable. “In many parts of the world, where infection rates have increased worryingly, a new wave of lockdowns and restrictions are being put in place, which will inevitably impact the rate of economic recovery in those countries,” he said. (Reuters)
- **OPEC+ deadlocked over raising oil output, to resume talks Tuesday** – OPEC+ will resume talks on Tuesday after reaching a deadlock over February oil output levels as Saudi Arabia argued against pumping more due to new lockdowns while Russia led calls for higher production citing recovering demand. The unusual decision to push negotiations into a second day was taken after a three-hour debate in a virtual meeting of OPEC+, which groups OPEC and other producers including Russia. The talks are scheduled to resume on Tuesday. OPEC+ sources told Reuters that Russia and Kazakhstan had backed raising production while Iraq, Nigeria and the UAE suggested holding output steady. (Reuters)
- **Saudi Arabia’s 3Q2020 tourism revenue falls 97%** – Income from foreign visitors to Saudi Arabia fell 97% to \$168mn in the third quarter of 2020 compared with the same period last year, according to data from Saudi Arabian Monetary Agency. This is the fourth consecutive quarter of decrease. Revenue from tourism accounted for 13% of services exports, down from 70% a year earlier, and 0.4% of the country’s total export of goods and services. In the same time, residents from Saudi Arabia spent \$1.53bn abroad, down 58% from last year. The Saudi Riyal strengthened 0% against the dollar in the third quarter of 2020 and weakened 0% over the past year. (Bloomberg)
- **SABIC and SAFCO complete SABIC Agri-nutrients investment deal** – The Saudi Basic Industries Corporation (SABIC) announced on Monday the completion of the Saudi Arabian Fertilizer Company’s (SAFCO) full acquisition of SABIC Agri-Nutrients Investment Company (SANIC). SAFCO issued 59,368,738mn ordinary new shares to SABIC valued at SR10 per share at SABIC’s investment portfolio on January 4, 2021, according to a bourse filing. SABIC’s ownership in SAFCO post this transaction increased from 42.99% to 50.1%. On December 25, 2019, SABIC entered into a share purchase agreement (SPA) with SAFCO under which the latter will acquire 100% of the share capital of SANIC, valued at SR4.59bn, in exchange for increasing its share capital and issuance of shares to the owners of the acquired firm. This deal comes as a result of the shared vision by SABIC and SAFCO, to enhance and improve

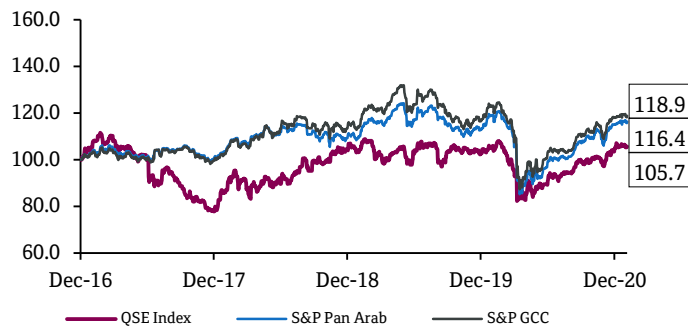
efficiencies through consolidation and realization of synergies. It also envisages considerable opportunities for growth and development of competitive advantages in the global marketplace. On Sunday, SAFCO announced changing its name to become SABIC Agri-Nutrients Company. (Bloomberg)

- **UAE leads world in Islamic finance industry** – The UAE has led the world in setting an international regulatory framework governing Islamic finance, according to a report by Global Finance Magazine. The report focused on the impact of the coronavirus (COVID-19) pandemic on the Islamic finance sector and the growth expected to be witnessed in the sector by 2024. In 2020, investments in the Islamic economy, including halal food and healthcare, dropped by 13%, when compared to 2019. The report referred that the countries recording the most deals in the Islamic economy this year were Indonesia, UAE, and Kuwait. Meanwhile, the report forecast that the UAE is expected to maintain its leading position in the Islamic finance sector after the pandemic. It is noteworthy to mention that in November, Dubai Islamic Bank (DIB) successfully completed the integration of Noor Bank with its banking activities to boost its position as one of the world's largest Islamic banks with total assets exceeding AED300bn. (Zawya)
- **UAE to buy more airborne surveillance systems from Saab** – Sweden's Saab has received a contract to sell two of its airborne surveillance systems, GlobalEye, to The UAE in a deal worth around \$1bn, the company said on Monday. The contract is for the period 2020-2025 and is an amendment to the original contract, signed in 2015. "We are proud that the United Arab Emirates continues to show great trust in Saab...it shows that Saab remains on the cutting edge regarding advanced technology," Saab CEO, Micael Johansson said. Saab said that contract was signed on December 30, meaning it would be included in order bookings for the fourth quarter. UAE said at the 2019 Dubai Airshow that it intended to buy additional systems from Saab. (Reuters)
- **UAE's November consumer prices fall 0.11% MoM and 2.4% YoY** – Federal Competitiveness and Statistics Authority in Dubai published UAE's consumer price indices for November which showed that consumer prices fell 0.11% MoM and 2.4% YoY. (Bloomberg)
- **ADNOC may boost Murban Crude price by ~\$0.34 for February** – Abu Dhabi National Oil Co. (ADNOC) may increase the official selling price of its flagship Murban crude in February by about \$0.34/bbl MoM, according to the median estimate in a Bloomberg survey of four traders and refiners. Murban crude OSP differential is forecast at ~\$0.84/bbl premium to Dubai benchmark price, compared with +\$0.50/bbl for January. (Bloomberg)
- **Kuwait's Oil Minister expects gradual recovery in oil demand** – Kuwait's Oil Minister said on Monday that he expects a gradual recovery in oil demand, particularly in the second half of 2021, as many countries around the world start to distribute coronavirus vaccines, state news agency KUNA reported. (Reuters)
- **Kuwait makes new oil discoveries** – Kuwait has discovered two new oilfields, Oil Minister, Mohammad al-Fares announced on Monday, according to state news agency KUNA. One of the discoveries is in Houma oilfield in northwestern Kuwait, with production capacity of 1,452 bpd of light oil. The second is in the

Al-Qashaniya field in the north of the country, where light oil was discovered with a commercial quantity of 1,819 bpd and 2.78mn cubic feet of associated gas per day, KUNA reported. The Minister added that conventional oil was also discovered in the north of the big Burgan oilfield, with a daily production rate that exceeded 2,000 barrels, after drilling several wells in 2020 to determine the extent of the field, KUNA said. (Reuters)

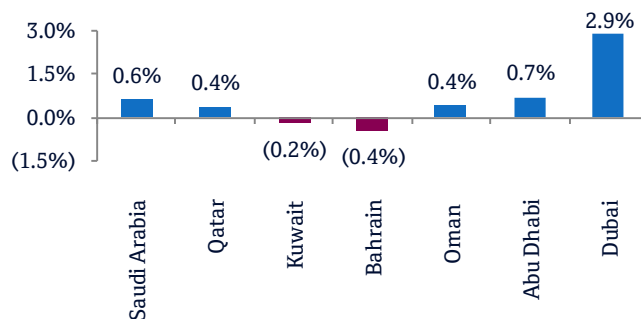
- **Kuwait's November consumer prices rise 2.78% YoY and 0.25% MoM** – Central Statistical Bureau in Kuwait City published Kuwait's consumer price indices for November which showed that consumer prices rose 2.78% YoY and 0.25% MoM. Food and beverages price index rose 9.83% YoY. Transport prices rose 3.35% YoY and communication prices rose 4.24% YoY. (Bloomberg)
- **Oman tanker tracker: Flows rise to three-year high on China surge** – Shipments of crude and condensate from Oman rose in December to the highest in at least three years, driven by a surge in flows to China, according to vessel-tracking data compiled by Bloomberg. Oman oil exports rose to 1.03mn bpd last month, highest in Bloomberg-compiled data going back to start of 2018, compared with revised 943k in November. (Bloomberg)
- **Oman sells OMR74mn 28-day bills at yield 0.638%; bid-cover at 1.11x** – Oman sold OMR74mn of 28-day bills due on February 3, 2020. Investors offered to buy 1.11 times the amount of securities sold. The bills were sold at a price of 99.951, have a yield of 0.638% and will settle on January 6, 2020. (Bloomberg)
- **Bahrain's November consumer prices fall 3.6% YoY and 0.2% MoM** – Information & eGovernment Authority in Manama published Bahrain's November consumer price indices which showed that the consumer prices fell 3.6% YoY and 0.2% MoM. Food and non-alcoholic beverages price index rose 2.2% YoY in November as compared to a rise of 3.1% in the previous month. Recreation and culture price index fell 43.1% YoY in November compared to a fall of 42.2% in the previous month. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,942.90	2.3	2.3	2.3
Silver/Ounce	27.24	3.2	3.2	3.2
Crude Oil (Brent)/Barrel (FM Future)	51.09	(1.4)	(1.4)	(1.4)
Crude Oil (WTI)/Barrel (FM Future)	47.62	(1.9)	(1.9)	(1.9)
Natural Gas (Henry Hub)/MMBtu	2.56	7.1	7.1	7.1
LPG Propane (Arab Gulf)/Ton	79.00	5.0	5.0	5.0
LPG Butane (Arab Gulf)/Ton	77.00	2.7	2.7	2.7
Euro	1.22	0.3	0.3	0.3
Yen	103.13	(0.1)	(0.1)	(0.1)
GBP	1.36	(0.7)	(0.7)	(0.7)
CHF	1.14	0.6	0.6	0.4
AUD	0.77	(0.4)	(0.4)	(0.4)
USD Index	89.87	(0.1)	(0.1)	(0.1)
RUB	74.33	(0.1)	(0.1)	(0.1)
BRL	0.19	(1.9)	(1.9)	(1.9)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,670.04	(0.7)	(0.7)	(0.7)
DJ Industrial	30,223.89	(1.3)	(1.3)	(1.3)
S&P 500	3,700.65	(1.5)	(1.5)	(1.5)
NASDAQ 100	12,698.45	(1.5)	(1.5)	(1.5)
STOXX 600	401.69	0.9	0.9	0.9
DAX	13,726.74	(0.2)	(0.2)	(0.2)
FTSE 100	6,571.88	1.1	1.1	1.1
CAC 40	5,588.96	0.9	0.9	0.9
Nikkei	27,258.38	(0.6)	(0.6)	(0.6)
MSCI EM	1,304.43	1.0	1.0	1.0
SHANGHAI SE Composite	3,502.96	1.9	1.9	1.9
HANG SENG	27,472.81	0.9	0.9	0.9
BSE SENSEX	48,176.80	0.6	0.6	0.8
Bovespa	118,854.70	(1.8)	(1.8)	(1.8)
RTS	1,424.84	2.7	2.7	2.7

Source: Bloomberg (*\$ adjusted returns)

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