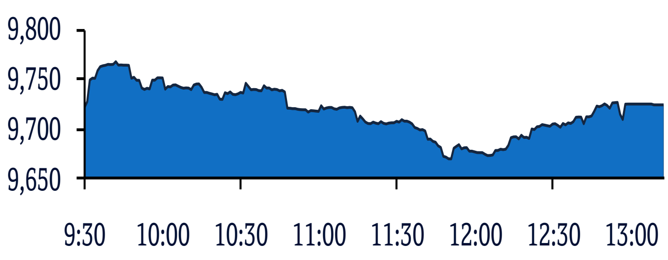
Daily Market Report

Thursday, 05 November 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.3% to close at 9,727.0. Gains were led by the Consumer Goods & Services and Telecoms indices, gaining 0.9% and 0.3%, respectively. Top gainers were Qatar Cinema & Film Distribution Company and Dlala Brokerage & Investment Holding Company, rising 8.2% and 2.0%, respectively. Among the top losers, Aamal Company fell 1.7%, while Vodafone Qatar was down 1.5%.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.1% to close at 8,088.7. Gains were led by the Software & Services and Retailing indices, rising 4.2% and 3.1%, respectively. Arab Sea Information Systems and Red Sea International Company were up 10.0% each.

Dubai: The DFM Index gained 0.6% to close at 2,153.5. The Banks index rose 1.2%, while the Consumer Staples and Discretionary index gained 0.8%. SHUAA Capital rose 3.4%, while Dar Al Takaful was up 2.2%.

Abu Dhabi: The ADX General Index gained 0.9% to close at 4,689.8. The Investment & Financial Services rose 3.2%, while the Consumer Staples was up 1.6%. Abu Dhabi Ship Building Co. rose 5.0%, while Abu Dhabi Islamic Bank was up 4.1%.

Kuwait: The Kuwait All Share Index fell marginally to close at 5,465.9. The Financial Services index declined 0.9%, while the Consumer Services index fell 0.7%. Gulf Cement Co. declined 10.9%, while Osos Holding Group was down 5.6%.

Oman: The MSM 30 Index fell 0.1% to close at 3,536.0. The Services index declined 0.1%, while the Financial index fell marginally. Oman National Engineering & Investment Co. declined 2.8%, while National Gas Company was down 1.4%.

Bahrain: The BHB Index gained 0.3% to close at 1,441.1. The Commercial Banks index rose 0.6%, while the Services index gained 0.3%. Ithmaar Holding rose 7.4%, while Bahrain Duty Free Complex was up 0.8%.

Market Indicators	04 Nov 20	03 Nov 20	%Chg.
Value Traded (QR mn)	279.7	383.8	(27.1)
Exch. Market Cap. (QR mn)	564,909.5	564,176.1	0.1
Volume (mn)	200.1	245.8	(18.6)
Number of Transactions	7,031	9,893	(28.9)
Companies Traded	45	45	0.0
Market Breadth	22:19	35:7	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,699.73	0.3	0.4	(2.5)	16.5
All Share Index	3,008.30	0.2	0.2	(2.9)	17.2
Banks	4,108.93	0.1	(0.3)	(2.6)	14.5
Industrials	2,768.86	0.3	2.0	(5.6)	24.7
Transportation	2,797.79	0.1	(0.8)	9.5	12.8
Real Estate	1,787.26	0.1	(0.9)	14.2	15.8
Insurance	2,228.54	(0.7)	(1.3)	(18.5)	32.8
Telecoms	926.59	0.3	1.4	3.5	13.8
Consumer	7,813.77	0.9	0.6	(9.6)	23.0
Al Rayan Islamic Index	3,993.44	0.3	0.5	1.1	18.2

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Abu Dhabi Islamic Bank	Abu Dhabi	4.57	4.1	9,501.9	(15.2)
Jarir Marketing Co.	Saudi Arabia	182.80	3.9	150.2	10.4
Saudi Electricity Co.	Saudi Arabia	20.06	3.2	4,008.9	(0.8)
Samba Financial Group	Saudi Arabia	28.70	2.9	463.9	(11.6)
Rabigh Refining & Petro.	Saudi Arabia	12.88	2.7	1,730.7	(40.5)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Burgan Bank	Kuwait	0.21	(1.4)	1,142.6	(31.3)
Gulf Bank	Kuwait	0.22	(1.3)	21,098.4	(26.7)
Aldar Properties	Abu Dhabi	2.61	(1.1)	36,375.2	20.8
Ooredoo Oman	Oman	0.38	(1.0)	122.0	(27.1)
Ezdan Holding Group	Qatar	1.57	(0.8)	14,049.9	155.4

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 Cinema & Film Distribution	4.20	8.2	0.1	90.9
Dlala Brokerage & Inv. Holding Co.	1.57	2.0	2,141.9	157.1
Mesaieed Petrochemical Holding	1.93	1.9	1,221.8	(23.3)
Qatar Fuel Company	17.43	1.5	491.7	(23.9)
Qatari German Co for Med. Devices	1.56	1.3	4,386.0	168.0

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Aamal Company	0.80	(1.7)	11,678.0	(2.1)
Vodafone Qatar	1.30	(1.5)	3,022.1	11.8
Widam Food Company	6.89	(1.5)	1.7	1.8
Qatar Islamic Insurance Company	6.32	(1.2)	112.7	(5.4)
Gulf International Services	1.40	(1.2)	1,880.2	(18.6)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.54	(0.4)	51,528.1	(3.7)
Salam International Inv. Ltd.	0.55	1.1	21,661.8	6.6
Mazaya Qatar Real Estate Dev.	1.02	(0.7)	19,327.2	42.3
Qatar Aluminium Manufacturing	0.91	0.9	18,680.6	16.5
Ezdan Holding Group	1.57	(0.8)	14,049.9	155.4

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Investment Holding Group	0.54	(0.4)	28,323.8	(3.7)
Ezdan Holding Group	1.57	(0.8)	22,493.5	155.4
Mazaya Qatar Real Estate Dev.	1.02	(0.7)	19,960.2	42.3
QNB Group	17.80	0.0	19,550.9	(13.6)
Qatar Islamic Bank	16.10	(0.1)	19,117.8	5.0

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,726.95	0.3	0.4	0.4	(6.7)	75.89	153,203.4	16.5	1.4	4.1
Dubai	2,153.48	0.6	(1.6)	(1.6)	(22.1)	22.03	83,759.4	8.9	0.8	4.5
Abu Dhabi	4,689.79	0.9	0.6	0.6	(7.6)	110.86	187,030.6	17.9	1.3	5.2
Saudi Arabia	8,088.73	1.1	2.3	2.3	(3.6)	2,227.41	2,364,736.7	29.6	1.9	2.4
Kuwait	5,465.88	(0.0)	0.4	0.4	(13.0)	171.19	99,559.7	34.5	1.3	3.6
Oman	3,535.97	(0.1)	(0.6)	(0.6)	(11.2)	1.22	(11,066.6)	10.7	0.7	7.0
Bahrain	1,441.12	0.3	1.0	1.0	(10.5)	1.56	21,895.5	14.0	0.9	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)

Qatar Market Commentary

- The QE Index rose 0.3% to close at 9,727.0. The Consumer Goods & Services and Telecoms indices led the gains. The index rose on the back of buying support from Qatari and GCC shareholders despite selling pressure from Arab and Foreign shareholders.
- Qatar Cinema & Film Distribution Company and Dlala Brokerage & Investment Holding Company were the top gainers, rising 8.2% and 2.0%, respectively. Among the top losers, Aamal Company fell 1.7%, while Vodafone Qatar was down 1.5%.
- Volume of shares traded on Wednesday fell by 18.6% to 200.1mn from 245.8mn on Tuesday. Further, as compared to the 30-day moving average of 277.2mn, volume for the day was 27.8% lower. Investment Holding Group and Salam International Investment Limited were the most active stocks, contributing 25.7% and 10.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	47.44%	48.74%	(3,636,544.4)
Qatari Institutions	18.39%	11.26%	19,945,735.3
Qatari	**65.84%**	**60.00%**	**16,309,190.9**
GCC Individuals	1.08%	1.03%	147,404.9
GCC Institutions	1.57%	0.68%	2,504,969.0
GCC	**2.66%**	**1.71%**	**2,652,373.9**
Arab Individuals	16.72%	17.88%	(3,236,294.1)
Arab	**16.72%**	**17.88%**	**(3,236,294.1)**
Foreigners Individuals	4.79%	5.52%	(2,048,890.6)
Foreigners Institutions	10.00%	14.89%	(13,676,380.2)
Foreigners	**14.79%**	**20.41%**	**(15,725,270.8)**

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

Earnings Releases and Global Economic Data

Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2020	% Change YoY	Operating Profit (mn) 3Q2020	% Change YoY	Net Profit (mn) 3Q2020	% Change YoY
Baazeem Trading Co.	Saudi Arabia	SR	66.0	9.7%	6.4	39.0%	4.9	57.5%
Saudi Arabian Mining Co.	Saudi Arabia	SR	4,659.2	8.4%	249.5	-7.4%	6.5	N/A
Saudi Advanced Industries Co.	Saudi Arabia	SR	9.6	-29.4%	7.8	-34.0%	7.5	-34.8%
Arabia Insurance Cooperative Co.	Saudi Arabia	SR	71.2	-35.9%	–	–	1.0	0.1%
Al Alamiya for Coop. Insurance Co.	Saudi Arabia	SR	52.7	-4.7%	–	–	1.6	-36.8%
National Medical Care Co.	Saudi Arabia	SR	213.3	22.9%	22.7	15.6%	16.3	-1.9%
Saudi Airlines Catering Co.	Saudi Arabia	SR	154.8	-73.5%	(92.6)	N/A	(106.5)	N/A
Jarir Marketing Co.	Saudi Arabia	SR	2,037.9	-9.5%	274.9	-16.5%	255.2	-16.3%
Saudi Printing & Packaging Co.	Saudi Arabia	SR	204.5	-19.0%	8.5	-43.7%	1.8	-32.8%
Abu Dhabi National Hotels	Abu Dhabi	AED	179.8	-35.1%	–	–	(33.7)	N/A
RAK Co. for White Cement & Construction Materials	Abu Dhabi	AED	51.4	-1.1%	3.5	-46.7%	4.6	-11.5%
Union Insurance Company	Abu Dhabi	AED	193.1	-19.2%	–	–	7.5	33.2%
Takaful International Company#	Bahrain	BHD	–	–	–	–	220.5	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
11/04	US	Mortgage Bankers Association	MBA Mortgage Applications	30-Oct	3.8%	–	1.7%
11/04	US	Markit	Markit US Services PMI	Oct	56.9	56.0	56.0
11/04	US	Markit	Markit US Composite PMI	Oct	56.3	–	55.5
11/04	US	Institute for Supply Management	ISM Services Index	Oct	56.6	57.5	57.8
11/04	UK	Markit	Markit/CIPS UK Services PMI	Oct	51.4	52.3	52.3
11/04	UK	Markit	Markit/CIPS UK Composite PMI	Oct	52.1	52.9	52.9
11/04	EU	Markit	Markit Eurozone Services PMI	Oct	46.9	46.2	46.2
11/04	EU	Markit	Markit Eurozone Composite PMI	Oct	50.0	49.4	49.4
11/04	EU	Eurostat	PPI MoM	Sep	0.3%	0.3%	0.1%
11/04	EU	Eurostat	PPI YoY	Sep	-2.4%	-2.4%	-2.6%
11/04	Germany	Markit	Markit Germany Services PMI	Oct	49.5	48.9	48.9
11/04	Germany	Markit	Markit/BME Germany Composite PMI	Oct	55	54.5	54.5
11/04	France	Markit	Markit France Services PMI	Oct	46.5	46.5	46.5
11/04	France	Markit	Markit France Composite PMI	Oct	47.5	47.3	47.3
11/04	China	Markit	Caixin China PMI Composite	Oct	55.7	–	54.5
11/04	China	Markit	Caixin China PMI Services	Oct	56.8	55	54.8

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
11/04	India	Markit	Markit India PMI Composite	Oct	58.0	–	54.6
11/04	India	Markit	Markit India PMI Services	Oct	54.1	–	49.8

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

News

Qatar

- **FocusEconomics: Qatar's economy witnesses strong recovery in 3Q2020 –** Qatar's economy appears to have staged a strong recovery in the third quarter of 2020, FocusEconomics has said in its latest report. According to FocusEconomics Consensus Forecast- Middle East & North Africa for November report, the non-energy private sector PMI averaged markedly higher compared to the second quarter, supported by the progressive lifting of COVID-19 restrictions as the country entered the phase four of the four-stage easing plan on September 1. The economy contracted 6.1% in the second quarter according to recent data, weighed on by a collapse in the non-energy sector due to lockdown restrictions, and a milder downturn in the energy sector. That said, the energy sector's performance was seemingly mixed, with a notable month-on-month decline in mining output in August after growth in July. Turning to the final quarter, the report said, the external sector could be weighed on by rising COVID-19 infection rates abroad, although low infections at home have so far allowed the government to keep the domestic economy open. "The economy is set to recover next year on rebounds in both domestic and foreign demand. However, the ongoing blockade, volatile commodity prices and a possible resurgence in COVID-19 infections pose downside risks," the report said. FocusEconomics panelists see a 2.9% rise in GDP in 2021, which is down 0.1 percentage points from last month's forecast, before growth of 3.6% in 2022. Consumer prices fell 3% in September in annual terms, following August's 4.1% drop, on lower prices for recreation and culture, and housing and utilities. "Prices are seen declining over 2020 as a whole before rising next year as activity recovers. The possible implementation of VAT in 2021 is an upside risk. Our panelists see consumer prices falling 1.1% in 2021, which is down 0.1 percentage points from last month's forecast. In 2022, our panel sees inflation averaging 1.9%," the FocusEconomics report said. (Qatar Tribune)
- **Qatar's October financial center PMI 51.5 versus 51.4 in September –** IHS Markit release Qatar's October financial center Purchasing Managers' Index (PMI), which showed that the index rose to 51.5 from 51.4 in September and was 47.3 year ago indicating fourth consecutive month of expansion. The Employment also rose to 50.4 versus 49.7 in September, the highest reading since March 2020 and reversed the contraction trend. However, new orders declined as compared to prior month which is also the lowest reading since June 2020. The International reserves and foreign currency liquidity rose to QR204.bn from QR203.7bn in August. The M2 money supply rose 3.9% from year ago and rose 2.2% MoM. M1 money supply rose 16.9% from year ago, however, it fell 1.9% MoM. (Bloomberg)
- **QFC: Rebound in business brightens prospects of Qatar's non-energy private sector in fourth quarter –** A sustained rebound in business conditions - especially in the construction, manufacturing, wholesale and retail, and services - brightened the prospects in Doha's non-energy private sector in the fourth quarter, as the country relaxed COVID-19 restrictions, according to the Qatar Financial Centre (QFC). The October Purchasing Managers' Index (PMI) survey data showed that output and new business both registered elevated growth for the fourth consecutive month, and the employment index rose to its highest level since March. With firms reporting rising customer numbers and hopeful of further business wins in the coming months as restrictions are eased further, business expectations improved to the highest since July, it said. (Gulf-Times.com)
- **Ooredoo HQ parking upgraded to include EV charging stations –** Ooredoo Qatar on Wednesday said it would work closely with Porsche Centre Doha, Al Boraq Automobiles Co, to install electric vehicle charging stations in the parking area of the Ooredoo Towers in Doha. This initiative is confirmed for expansion to three further branches in the near future, with the overall aim of encouraging the use of low-emission transportation solutions. The new initiative is part of a joint sustainability effort to benefit the environment. It is expected that, over time, the movement to electric or hybrid cars will make a direct impact, since electric cars produce zero emissions, while hybrid vehicles have reduced carbon-dioxide emissions. Employees will be able to charge electrical vehicles whilst at work, making it easier for them to be able to rely on such vehicles for sustainable transport. Customers will also be able to benefit from the charging stations, plugging their vehicles in to charge whilst they visit Ooredoo Towers. (Qatar Tribune)
- **Real Estate trading volume crosses QR317mn in week ending October 29 –** The volume of real estate trading in sales contracts registered at the Department of Real Estate Registration at the Ministry of Justice during the period from October 25 to 29 reached QR317,229,536. The weekly bulletin issued by the Department showed that the list of real estate properties traded for sale included houses, residential buildings, and multi-purpose empty land plots. The sales were concentrated at the municipalities of Umm Salal, Al Khor, Al Dhakhira, Al Daayen, Doha, Al Rayyan, Al Wakrah, and Al Shamal. The volume of real estate trading from October 18 to 22 reached QR490,566,989. (Bloomberg)
- **Qatar Chamber calls for reviving GCC free trade negotiations with EU –** Qatar Chamber's Chairman, Sheikh Khalifa bin Jassim Al-Thani has called for the reactivation of free trade negotiations between the GCC and the EU, as well as other countries, such as the UK, Australia, and other economic blocs. Sheikh Khalifa made the statement during the consultative

meeting between the GCC Ministers of Commerce and Industry and presidents of Unions and Chamber held virtually yesterday. The meeting discussed topics related to enhancing cooperation in the industrial and commercial sectors between member countries. (Gulf-Times.com)

International

- **US employment, services industry data point to slowing economic recovery –** US private payrolls increased less than expected in October and activity in the services industry cooled, providing early signs of a slowdown in economic growth as fiscal stimulus diminishes and new COVID-19 infections surge across the country. The recovery from the coronavirus pandemic could also be impacted over the next few months by political uncertainty following Tuesday's cliffhanger presidential election, which economists warned could cause businesses to be more cautious about spending decisions. The election hung in the balance on Wednesday, with a handful of close-fought states set to decide the outcome in the coming hours or days. There are fears of a contested result between President Donald Trump and his Democratic rival Joe Biden, who both still have possible paths to reach the needed 270 Electoral College votes to win the White House. Private payrolls increased by 365,000 jobs last month after rising 753,000 in September, the ADP National Employment Report showed on Wednesday. Economists polled by Reuters had forecast private payrolls would advance by 650,000 in October. Job gains last month were broad, though they were concentrated in industries directly impacted by the coronavirus crisis, including the leisure and hospitality sector. The resurgence in COVID-19 cases across the country could lead to renewed business restrictions to slow the spread of the respiratory illness as winter approaches. Even without new restrictions, Americans are likely to stay away from air travel, hotels, gyms, bars, restaurants and other consumer-facing businesses, worsening already lackluster demand, which has seen the labor market struggling to recoup all the 22.2mn jobs lost during the pandemic. (Reuters)
- **ISM survey: US service sector cools in October –** US services industry activity slowed in October, with growth in new orders and employment moderating, likely reflecting concerns about ebbing fiscal stimulus and a resurgence in new COVID-19 cases across the nation. The Institute for Supply Management (ISM) said on Wednesday its non-manufacturing activity index fell to a reading of 56.6 last month from 57.8 in September. That pulled the index back below its 57.3 level in February. A reading above 50 indicates growth in the services sector, which accounts for more than two-thirds of US economic activity. Economists polled by Reuters had forecast the index dipping to 57.5 in October. The services industry is being constrained by a shift in spending towards goods as the raging coronavirus pandemic keeps Americans at home, boosting the manufacturing sector. The ISM reported on Monday that factory activity accelerated in October as new orders surged to their highest level in nearly 17 years. Spiraling COVID-19 infections could force authorities to re-impose restrictions to slow the spread of the respiratory illness as winter approaches, undercutting spending. More than $3tn in government pandemic relief for businesses and workers, which fired up economic growth in the third quarter, has dried up. There is no deal in sight for another rescue package. (Reuters)
- **US trade deficit narrows in September –** The US' trade deficit decreased in September amid an increase in exports of food and capital goods, though a further improvement could be limited by the new lockdowns in Europe to slow the spread of COVID-19. The Commerce Department said on Wednesday the trade gap fell 4.7% to $63.9bn in September. Data for August was revised slightly to show a $67.0bn deficit instead of $67.1bn as previously reported. Economists polled by Reuters had forecast the trade shortfall narrowing to $63.8bn in September. (Reuters)
- **PMI: UK heading for double-dip recession this winter –** Britain looks on course to enter a double-dip recession this winter, as business surveys show economic growth almost halted last month even before the latest England-wide lockdown was announced, financial data company IHS Markit said. The IHS Markit/CIPS services Purchasing Managers' Index (PMI) fell to a four-month low of 51.4 in October from 56.1 in September, closer to the 50 mark that represents zero growth than an initial reading of 52.3. From Thursday all non-essential shops, pubs and restaurants in England will close for four weeks, except where they serve takeaway food. The new orders component in the services PMI fell sharply, and businesses shed jobs for the eighth month in a row. The composite PMI, which includes stronger manufacturing data released on Monday, sank to 52.1 from 56.5, also weaker than the initial 'flash' estimate. The restrictions are less wide-ranging than in March and April, but some economists have predicted output in November will fall by as much as 10%, reducing output for the fourth quarter by around 3%. British gross domestic product slumped by 20% during the longer lockdown in the second quarter of 2020, the biggest decline of any major advanced economy, but recovered rapidly early in the third quarter before COVID cases rose. The Bank of England looks set to launch another round of bond purchases on Thursday and downgrade its economic forecasts from those it gave in August, when it predicted GDP would be back to pre-crisis levels by the end of 2021. (Reuters)
- **UK output per hour fell 1.8% on year in second quarter –** British economic output per hour worked dropped by 1.8% during the three months to June, when the coronavirus lockdown was at its height, a smaller decline than the 3.0% drop initially estimated in August, official figures showed on Wednesday. The Office for National Statistics said output per worker fell by 21.7%, similar to the initial estimate and close to the record 19.8% quarterly fall in GDP over the same period. "This reflects the impact of furlough schemes, which reduced hours worked but preserved workers' employment statuses," the ONS said. England enters a second four-week lockdown on Thursday, which will close non-essential retailers, restaurants and bars, in an attempt to reverse a sharp rise in COVID cases which the government fears could overwhelm hospitals if left unchecked. (Reuters)
- **Telegraph: Bank of England said to be considering a move into negative rates –** The Bank of England (BoE) is said to be considering a move into negative interest rates, the Telegraph newspaper reported late on Wednesday, without citing any sources, ahead of the central bank's November monetary policy

decision on Thursday. The BoE is in the midst of a review of how negative interest rates would work in Britain if necessary. It is still talking to banks about their preparedness. None of the economists polled by Reuters expect an imminent move into negative rates. They expect the BoE to expand its asset purchase program by 100bn Pounds to 845bn Pounds due to the deteriorating economic outlook as England enters a second COVID lockdown. However, the Sun newspaper, citing unnamed sources, reported that the BoE is planning a much bigger program of quantitative easing than the expected addition of 100bn Pounds. The addition is likely to be around 150bn Pounds but it could also be as high as 200bn Pounds, the report added, without quoting sources. Finance minister Rishi Sunak is also due to give an update on economic support measures related to the lockdown on Thursday. According to the Telegraph report, Sunak is expected to confirm that furloughed workers will get 80% of their wages so long as their businesses are mandated to shut. (Reuters)

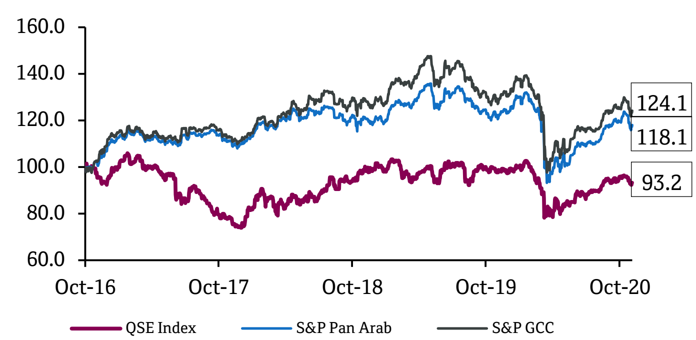
- **PMI: Japan's October services sector moves closer to stabilization –** Activity in Japan's services sector moved a notch closer to stabilization in October, contracting at the slowest pace since January as pressure on demand from the coronavirus pandemic eased. The world's third-largest economy has struggled to shake off the drag from the COVID-19 crisis after posting its worst postwar drop in the second quarter, which hit service-sector industries such as travel and dining out especially hard. The final Jibun Bank Japan Services Purchasing Managers' Index (PMI) rose to a nine-month high of 47.7 on a seasonally adjusted basis from 46.9 in the previous month. The headline index, while still below the 50 neutral level, was much better than a preliminary reading of 46.6, signaling that conditions were gradually moving closer to stabilization. The main reading was boosted by strong optimism in firms' outlook for the 12 months ahead. Around 30% of surveyed firms foresaw a rise in activity, IHS Markit said. Job market conditions also rose, stabilising for the first time since February. But total new and outstanding business as well as new export business put a drag on overall activity, staying in contraction even as the pace of shrinkage eased from the previous month. The composite PMI, which includes both manufacturing and services, rose to 48.0 in October from the previous month's final of 46.6. (Reuters)
- **India's services activity grows in October for first time in eight months –** Activity in India's dominant services industry, expanded for the first time in eight months in October as demand surged, but pandemic-hit firms continued to cut jobs, a private survey showed on Wednesday. The findings, coupled with a similar survey on Monday which found Indian manufacturing growth expanded at its fastest pace in over a decade, suggest a recovery in Asia's third-largest economy is under way. The Nikkei/IHS Markit Services Purchasing Managers' Index climbed to 54.1 in October from September's 49.8. It was the highest reading since February and comfortably above the 50-mark separating growth from contraction. A sub-index tracking overall demand showed it expanded for the first time since February but new export business remained firmly in contraction territory as restrictions imposed across the world due to the COVID-19 pandemic hammered foreign demand. That led firms to cut jobs for the eight straight month, the longest streak on record. "Survey participants indicated that workers on leave had not returned and that a widespread fear of COVID-19 contamination continued to restrict staff supply," De Lima added. The composite PMI, which includes both manufacturing and services, rose to 58.0 last month, its highest since January 2012, from September's 54.6. Although service providers remained optimistic about the year ahead - optimism strengthened to a seven-month high last month - the expectations index remained well below the long-term average. Input costs increased at the quickest pace since February but firms absorbed much of the jump to win business amid growing concerns that rising coronavirus infections could halt the nascent recovery in the services industry, which contributes over 60% to the country's gross domestic product. India has the world's second-highest coronavirus caseload at well over 8 million, behind only the US. New daily cases in India have been falling since September, but experts warn infections could rise again during the festival season. (Reuters)

Regional

- **GCC stock markets succumbed to coronavirus, weak 3Q2020 results in October –** Most GCC stock markets fell during October as concerns ratcheted up over the surge in the number of COVID-19 cases and the re-imposition of lockdowns in many cities, according to the GCC Markets Monthly Report by Kamco Invest. In addition, the sentiments of GCC investors, who had defied growth in COVID-19 numbers during the previous months, were also affected by the initial cues from the Q3-2020 earnings. The MSCI GCC Index closed at a 10-week low level by the end of October-2020 to report a monthly decline of 2.1%. In terms of year-to-date (YTD) returns, the October decline once again pushed all the GCC equity markets back in the red with DFM showing the biggest drop of 21%, while Saudi Arabia's TASI showed the smallest decline of 5.7%. Sector-wise too there was a broad-based decline with only defensive sectors showing gains during the month. (Zawya)
- **Saudi Arabia's IPO pipeline looks 'quite busy' –** Since Aramco's record listing last year, Saudi Arabia has seen a big increase in the number of companies looking to make their stock market debut in the Kingdom, according to the Head of the Capital Market Authority (CMA). There are currently 15 applications for new listings in the Saudi stock market, the region's largest bourse, CMA Chairman, Mohammed bin Abdullah Elkuwaiz said. "It looks quite busy over the upcoming period," he said. The Saudi stock market (Tadawul) saw five IPOs in 2019, including oil giant Saudi Aramco, its biggest ever IPO and the largest in history. "We have seen eight new listings since the beginning of the year despite the pandemic. We also currently have over 15 applications we are currently reviewing for listing whether in the main market or the (parallel) Nomu market," he said. The world's top oil exporter is encouraging companies to list in the Kingdom in a bid to deepen its capital markets under reforms aimed at reducing its reliance on crude. (Reuters)
- **Nadec in MoU with Pure Harvest Smart Farms to build greenhouses –** Nadec has signed an MoU with Pure Harvest Smart Farms to build greenhouses. High-tech, hydroponic, climate-controlled greenhouses at about 60k square meters in Nadec City in Haradh, the Saudi dairy producer said. The MoU duration is of 150 days from signing. (Bloomberg)

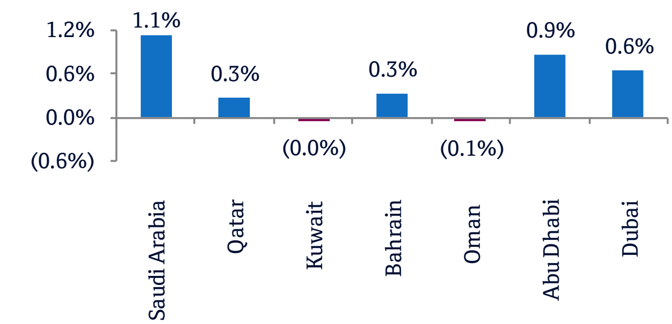
- **Saudi Fransi issues SR5bn additional Tier 1 Sukuk –** Saudi Fransi has issued SR5bn additional Tier 1 Sukuk. The lender issues Sukuk by way of private placement, according to statement. The return is 4.5% per year, the maturity is perpetual. (Bloomberg)
- **UAE federal entities report revenues of AED40.16bn in third quarter –** UAE federal entities reported revenues of AED40.16bn in the third quarter, state agency WAM reported. The entities reported spending of AED36.69bn and a budget surplus of AED3.48bn in the quarter, the agency reported, citing the country's ministry of finance. (Zawya)
- **CBD lists $600mn bond on Nasdaq Dubai –** Commercial Bank of Dubai (CBD) has celebrated the listing of a $600mn AT1 conventional bond on Nasdaq Dubai, with an interest rate of 6%. This is the first bond listing for the bank on the region's international financial exchange, according to a press release on Wednesday. Oversubscribed 2.1 times, the six-year bond has attracted investors from the Middle East, Europe, and Asia. Listed on Nasdaq Dubai on October21, the CBD's bond boosts Dubai's position as the largest venue in the Middle East for US dollar-denominated debt listings, with a total value of $87.4bn. The Chief Executive of CBD, Bernd van Linder, said: "The issuance will enable the bank to further support local UAE businesses now and into the future." (Zawya)
- **Mubadala says led $700mn funding round for REEF Technology –** Mubadala Investment Co. led a $700mn funding round for a technology startup backed by SoftBank Group Corp., as the Abu Dhabi wealth fund diversifies its portfolio away from oil. The fund said on Wednesday it invested in Reef Technology Inc., a startup that manages hubs in parking lots used for food delivery and other services such as Covid-19 testing. It was joined by SoftBank Vision Fund, Oaktree, UBS AM and Target Global, Mubadala said. Miami-based Reef was exploring a capital raise to fund its expansion, sources said. The firm was valued at $1bn when SoftBank acquired a stake in 2018. has announced that it has led a $700mn funding round for REEF Technology, a tech platform transforming underutilized urban spaces into neighborhood hubs, connecting people to local goods, services and experience. (Bloomberg)
- **Abu Dhabi Commercial Bank closes representative offices in London, Singapore –** Abu Dhabi Commercial Bank (ADCB) has closed its representative offices in London and Singapore, in line with its business strategy to focus on the local market. The bank announced that this decision will not have an impact on the bank's profitability, according to the bank's disclosure to the Abu Dhabi Securities Exchange (ADX) on Wednesday. It is noteworthy to mention that on Tuesday, November3, ADCB agreed to sell its 49% stake in UAE's Orient UNB Takaful and 20% stake in Egypt's Orient Takaful to Orient Insurance Company, part of the Al Futtaim Group to focus on its main business areas. (Zawya)
- **TAQA board to consider allowing non-UAE nationals to own shares –** Abu Dhabi's TAQA board will on November 9 discuss allowing non-UAE nationals to own shares in the company. The board will also approve 3Q2020 financial results. It did not provide further information. (Bloomberg)
- **Kuwait's $124bn pension fund had record first-half profit –** Kuwait's $124bn pension fund racked up a record profit in the first half, continuing a turnaround for an institution previously marred by a corruption scandal. The Public Institution for Social Security, which owns a quarter of US private equity firm Stone Point Capital, said profit rose 362% to $12.1bn in the first half. It surged 611% to $4.7bn in the second quarter, reflecting the "governance and strength" of its new investment strategy, according to a statement on Wednesday. A new management team was brought into the fund in 2017 to transform the state-owned institution after its former head was found guilty of personally profiting from the organization over decades. The fund has since exited more than $20bn in questionable deals in a major reorganization of its portfolio. PIFSS, as the fund is known, said in August it aims to have 12% to 17% of its portfolio in real estate, followed by private equity at between 8% and 13% and infrastructure at 3% to 10%. Between 40% and 60% of its portfolio is in stocks and fixed income. PIFSS also owns 25% of Oak Hill Advisors and 10% of TowerBrook Capital Partners. (Bloomberg)
- **Al Ahli Bank of Kuwait reports 3Q2020 net loss of KD3.30mn –** Al Ahli Bank of Kuwait reported net loss for the third quarter of KD3.30mn, a decrease of 54% YoY. The 3Q2020 operating revenue came in at A$34.2mn, a decrease of 20% YoY. The 3Q2020 operating profit came in at A$16.7mn, a decrease of 34% YoY. The 9M2020 loss came in at KD7.95mn compared to a profit of KD15.4mn, it cites impact of market interest rate cuts and lower business volumes due to pandemic. (Bloomberg)
- **Oman plans to borrow OMR175mn from Sukuk private placement –** Oman's government will issue Sukuk by way of private placement. The target issue size is OMR175mn, with over-allotment option, or greenshoe option, to be determined after book building on the basis of bids received. The tenor will be five years, profit rate of 5.75% p.a. The book building period is from November 4-10. The settlement date is on November 11. Ubhar Capital and Maisarah Islamic Banking Services (Bank Dhofar) are the issue managers and collecting agent/ collecting bank for the issuance. (Bloomberg)
- **Oman postpones construction of Duqm petrochemical project –** Middle East Sultanate of Oman has postponed construction of the Duqm petrochemicals complex "for the time being," according to a statement from the Special Economic Zone at Duqm. No reason has been given for the delay. Duqm's refinery is proceeding "according to the schedule" and should be completed in the first quarter of 2022. "Investment projects in Duqm are progressing as planned and the Zone continues to attract more investments and provide an attractive environment." (Bloomberg)
- **Bahrain sells BHD35mn 182-day bills; bid-cover at 1.22x –** Bahrain sold BHD35mn of 182-day bills due on May 9, 2021. Investors offered to buy 1.22 times the amount of securities sold. The bills were sold at a price of 98.711, have a yield of 2.58% and will settle on November 8, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,902.92	(0.3)	1.3	25.4
Silver/Ounce	23.90	(1.3)	1.0	33.9
Crude Oil (Brent)/Barrel (FM Future)	41.23	3.8	10.1	(37.5)
Crude Oil (WTI)/Barrel (FM Future)	39.15	4.0	9.4	(35.9)
Natural Gas (Henry Hub)/MMBtu	2.59	(8.8)	(14.5)	23.9
LPG Propane (Arab Gulf)/Ton	56.38	1.8	6.4	36.7
LPG Butane (Arab Gulf)/Ton	69.00	2.2	10.0	5.3
Euro	1.17	0.1	0.7	4.6
Yen	104.52	0.0	(0.1)	(3.8)
GBP	1.30	(0.5)	0.3	(2.0)
CHF	1.10	0.0	0.5	6.1
AUD	0.72	0.3	2.2	2.3
USD Index	93.41	(0.2)	(0.7)	(3.1)
RUB	79.36	0.0	(0.2)	28.0
BRL	0.18	1.7	1.4	(29.0)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,416.61	2.0	5.4	2.5
DJ Industrial	27,847.66	1.3	5.1	(2.4)
S&P 500	3,443.44	2.2	5.3	6.6
NASDAQ 100	11,590.78	3.9	6.2	29.2
STOXX 600	363.31	2.1	6.7	(8.9)
DAX	12,324.22	2.0	7.3	(2.8)
FTSE 100	5,883.26	1.3	5.9	(23.6)
CAC 40	4,922.85	2.5	7.8	(14.1)
Nikkei	23,695.23	2.0	3.2	4.3
MSCI EM	1,135.26	1.3	2.9	1.8
SHANGHAI SE Composite	3,277.44	0.6	2.2	12.5
HANG SENG	24,886.14	(0.3)	3.2	(11.4)
BSE SENSEX	40,616.14	1.5	3.0	(5.5)
Bovespa	97,866.80	3.6	5.8	(40.0)
RTS#	1,108.15	0.0	3.9	(28.5)

Source: Bloomberg (*$ adjusted returns, #Market was closed on November 04, 2020)

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