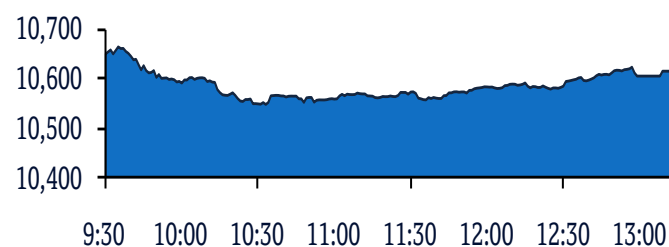


T QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 1.3% to close at 10,618.4. Gains were led by the Transportation and Banks & Financial Services indices, gaining 1.9% and 1.7%, respectively. Top gainers were Qatar Gas Transport Co. Limited and Qatar Insurance Company, rising 3.4% and 2.9%, respectively. Among the top losers, Qatar Cinema & Film Distribution Co. fell 8.3%, while Qatar General Insurance & Reinsurance Co. was down 3.7%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.2% to close at 8,682.1. Gains were led by the Food & Bev. and Food & Staples Ret. indices, rising 1.0% and 0.7%, respectively. Al-Samaani Factory for Metal rose 10.0%, while Saudi Vitriified Clay Pipe was up 7.0%.

Dubai: The DFM Index gained 1.2% to close at 2,608.9. The Consumer Staples and Discretionary index rose 6.2%, while the Investment & Financial Serv. index gained 3.6%. Emirates Refreshments rose 15.0%, while DXB Entertainments was up 5.9%.

Abu Dhabi: The ADX General Index gained 0.5% to close at 5,143.5. The Services and Consumer Staples indices rose 2.9% each. RAK Properties rose 4.1%, while Agthia Group was up 3.3%.

Kuwait: The Kuwait All Share Index gained 0.5% to close at 5,563.1. The Basic Materials index rose 1.4%, while the Real Estate index gained 1.2%. Tijara & Real Estate Investment Co. rose 12.2%, while IFA Hotels & Resorts Co. was up 8.7%.

Oman: The MSM 30 Index gained 0.5% to close at 3,714.9. Gains were led by the Services and Financial indices, rising 0.9% and 0.6%, respectively. Muscat Finance rose 10.0%, while Al Omaniya Financial Services was up 5.9%.

Bahrain: The BHB Index fell 1.8% to close at 1,456.1. The Commercial Banks index declined 3.2%, while the Industrial index fell 0.6%. Bahrain Commercial Facilities Company declined 5.5%, while Ahli United Bank was down 4.6%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Gas Transport Company Ltd.	3.31	3.4	8,766.2	4.1
Qatar Insurance Company	2.50	2.9	5,319.5	5.8
QNB Group	18.49	2.4	4,743.1	3.7
Qatar Islamic Insurance Company	6.91	2.4	140.0	0.1
Qatar Electricity & Water Co.	18.23	1.8	755.9	2.1

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.60	0.5	167,306.0	0.7
Salam International Inv. Ltd.	0.66	1.1	44,727.4	1.4
Mazaya Real Estate Development	1.28	0.1	20,527.7	1.4
Ezdan Holding Group	1.80	0.9	13,632.2	1.4
Alijarah Holding	1.26	0.3	9,107.6	1.0

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,618.39	1.3	1.7	1.7	1.7	176.66	167,196.8	18.1	1.6	3.7
Dubai	2,608.90	1.2	4.7	4.7	4.7	119.49	95,531.8	12.2	0.9	3.7
Abu Dhabi	5,143.52	0.5	1.9	1.9	1.9	127.61	200,532.2	20.5	1.4	4.8
Saudi Arabia	8,682.11	0.2	(0.1)	(0.1)	(0.1)	2,105.18	2,420,394.9	34.7	2.1	2.4
Kuwait	5,563.11	0.5	0.3	0.3	0.3	146.84	103,663.4	35.6	1.4	3.5
Oman	3,714.91	0.5	1.5	1.5	1.5	3.17	16,695.0	11.2	0.7	6.8
Bahrain	1,456.05	(1.8)	(2.3)	(2.3)	(2.3)	3.01	22,231.1	14.1	1.0	4.6

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	05 Jan 21	04 Jan 21	%Chg.
Value Traded (QR mn)	646.3	245.6	163.1
Exch. Market Cap. (QR mn)	613,566.1	605,243.7	1.4
Volume (mn)	370.3	105.3	251.7
Number of Transactions	12,104	5,284	129.1
Companies Traded	46	46	0.0
Market Breadth	33:9	30:13	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,413.51	1.3	1.7	1.7	18.1
All Share Index	3,259.93	1.3	1.9	1.9	18.8
Banks	4,349.79	1.7	2.4	2.4	15.4
Industrials	3,131.43	1.0	1.1	1.1	27.9
Transportation	3,366.33	1.9	2.1	2.1	15.4
Real Estate	1,947.00	0.3	0.9	0.9	17.2
Insurance	2,470.90	1.4	3.1	3.1	N.A.
Telecoms	1,017.63	0.6	0.7	0.7	15.2
Consumer	8,210.98	0.0	0.8	0.8	29.2
Al Rayan Islamic Index	4,323.12	0.8	1.3	1.3	19.8

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Mabane Co.	Kuwait	0.68	3.5	2,338.2	2.7
Qatar Gas Transport Co.	Qatar	3.31	3.4	8,766.2	4.1
Emaar Properties	Dubai	3.88	2.9	31,279.6	9.9
QNB Group	Qatar	18.49	2.4	4,743.1	3.7
Almarai Co.	Saudi Arabia	55.90	2.2	5,079.4	1.8

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ahli United Bank	Bahrain	0.72	(4.6)	589.6	(5.3)
BBK	Bahrain	0.49	(4.0)	21.8	(4.0)
Arabian Centres Co Ltd	Saudi Arabia	24.56	(3.1)	560.1	(2.0)
National Industrialization	Saudi Arabia	13.54	(1.9)	4,813.5	(1.0)
Mouwasat Medical Serv.	Saudi Arabia	136.00	(1.6)	43.0	(1.4)

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 Cinema & Film Distribution	3.66	(8.3)	16.2	(8.3)
Qatar General Ins. & Reins. Co.	2.55	(3.7)	42.9	(4.1)
Al Meera Consumer Goods Co.	20.64	(1.2)	73.2	(0.3)
Gulf International Services	1.73	(0.7)	4,938.0	0.7
Widam Food Company	6.27	(0.4)	558.5	(0.8)

QSE Top Value Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.60	0.5	100,176.8	0.7
QNB Group	18.49	2.4	87,585.2	3.7
Masraf Al Rayan	4.56	1.0	39,344.2	0.6
Qatar Fuel Company	18.98	0.5	34,714.2	1.6
Salam International Inv. Ltd.	0.66	1.1	29,933.5	1.4

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index rose 1.3% to close at 10,618.4. The Transportation and Banks & Financial Services indices led the gains. The index rose on the back of buying support from GCC, Arab and Foreign shareholders despite selling pressure from Qatari shareholders.
- Qatar Gas Transport Company Limited and Qatar Insurance Company were the top gainers, rising 3.4% and 2.9%, respectively. Among the top losers, Qatar Cinema & Film Distribution Company fell 8.3%, while Qatar General Insurance & Reinsurance Company was down 3.7%.
- Volume of shares traded on Tuesday rose by 251.7% to 370.3mn from 105.3mn on Monday. Further, as compared to the 30-day moving average of 214.5mn, volume for the day was 72.6% higher. Investment Holding Group and Salam International Investment Limited were the most active stocks, contributing 45.2% and 12.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	36.53%	53.15%	(107,404,025.0)
Qatari Institutions	18.38%	20.21%	(11,849,874.5)
Qatari	54.92%	73.37%	(119,253,899.5)
GCC Individuals	1.09%	0.83%	1,703,370.3
GCC Institutions	3.91%	2.52%	9,009,937.3
GCC	5.00%	3.35%	10,713,307.6
Arab Individuals	14.32%	10.24%	26,382,777.5
Arab Institutions	0.00%	0.13%	(842,951.9)
Arab	14.32%	10.37%	25,539,825.6
Foreigners Individuals	2.83%	2.23%	3,892,905.1
Foreigners Institutions	22.93%	10.69%	79,107,861.2
Foreigners	25.76%	12.92%	83,000,766.3

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
01/05	US	Institute for Supply Management	ISM Manufacturing	Dec	60.7	56.8	57.5
01/05	EU	European Central Bank	M3 Money Supply YoY	Nov	11.0%	10.6%	10.5%

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	6	Due
MARK	Masraf Al Rayan	19-Jan-21	13	Due
QFLS	Qatar Fuel Company	21-Jan-21	15	Due
KCBK	Al Khalij Commercial Bank	27-Jan-21	21	Due
QAMC	Qatar Aluminum Manufacturing Company	4-Feb-21	29	Due
DHBK	Doha Bank	8-Feb-21	33	Due

Source: QSE

Qatar

- **Saudi, allies restore full diplomatic ties with Qatar** – Saudi Arabia and its allies have restored full relations with Qatar, Riyadh said on Tuesday after a landmark GCC summit, ending a damaging rift that erupted in 2017. Saudi said that the UAE, Bahrain and Egypt were joining it in re-establishing ties with Qatar. His Highness the Amir Sheikh Tamim bin Hamad al-Thani was greeted with a warm embrace on arrival in the kingdom by Crown Prince Mohamed bin Salman. "What happened today is the turning of the page on all points of difference and a full return of diplomatic relations," Saudi Foreign Minister Prince Faisal bin Farhan said following the summit in the desert city of Al-Ula. Qatar's Deputy Prime Minister and Minister of Foreign Affairs, HE Sheikh Mohamed bin Abdulrahman al-Thani, tweeted that leaders closed the page on disagreement and seek to open a new page of solidarity. Leaders of the six-nation Gulf Cooperation Council (GCC) signed two documents on Tuesday, the Al-Ula Declaration and a final communique, described by Prince Mohamed as affirming "our Gulf, Arab and Islamic solidarity and stability". He called for unity to confront challenges facing the region. Prince Mohamed, Saudi Arabia's de facto leader, extended an enthusiastic welcome to His Highness the Amir Sheikh Tamim bin Hamad al-Thani, after he landed in the kingdom for the first time since the crisis began. Later, Saudi state media tweeted a photo of Crown Prince Mohamed behind the wheel of a sports utility vehicle, taking His Highness the Amir on a tour of the area. Jared Kushner, Trump's son-in-law and senior adviser who shuttled around the region to seek a deal, attended the signing in Al-Ula. (Gulf-Times.com)
- **The Amir tweets: "We all hope for a better future for the region"** – His Highness the Amir Sheikh Tamim bin Hamad Al-Thani yesterday thanked the "brothers in the Kingdom of Saudi Arabia for the generous welcome and the brotherly State of Kuwait for its valued efforts." In a tweet he said, "Sensing the historical responsibility at this defining moment in the march of the Gulf Co-operation Council and in fulfillment of the hopes of our people, I participated alongside our brothers in the Al-Ula Summit to heal the rift, and we all hope for a better future for the region." HE the Deputy Prime Minister and Minister of Foreign Affairs Sheikh Mohamed bin Abdulrahman al-Thani tweeted that "under the leadership of His Highness the Amir Sheikh Tamim bin Hamad al-Thani and with his wisdom, Qatar is looking forward to continue the joint GCC and Arab work for best of the GCC peoples and the security and stability of the region, hoping that this agreement will achieve more progress, welfare and prosperity. In another tweet, HE Sheikh Mohamed observed that "today the page of disagreement is turned with a spirit of responsibility and seeking to open a new page that establishes the meanings of solidarity and cooperation for the good of the GCC peoples and face the challenges encountering the region. All thanks to brotherly Kuwait for the great efforts in fixing the rift and uniting the GCC family" (Gulf-Times.com)
- **Qatari Diar opens St Regis Hotel in Cairo** – Qatari Diar Real Estate Company (Qatari Diar) announced the official opening of the wholly owned St Regis Cairo Hotel in Cairo in the presence of Minister of Finance HE Ali Shareef Al Emadi, US Secretary of

the Treasury Steven Mnuchin, and Minister of Finance of Egypt Mohamed Moait. The opening ceremony was also attended by Qatari Diar Chairman Sheikh Khalid bin Khalifa Al Thani, Qatari Diar CEO Abdullah bin Hamad Al Attiyah, and Marriott international President for Europe, Middle East and Africa Satya Anand, alongside a number of eminent individuals from both Qatar and Egypt. Commenting on the occasion, Emadi said, "By investing through Qatari Diar in this distinguished project, Qatar practically affirms its commitment to contribute to supporting the tourism sector for its vital role in economic development and creating job opportunities. This project represents a new addition to the Qatari investments in Egypt, exceeding \$5bn in various fields." US Secretary of the Treasury Steven Mnuchin said, "This project would not have been possible without Qatari Diar. The company's investment in this project illustrates the potential for economic ties to help create jobs and bring people together through shared investment opportunities." (Qatar Tribune)

- **MARK's board of directors to meet on January 07** – Masraf Al-Rayan (MARK) has announced that its board of directors will be holding a meeting on January 07, 2021 to discuss the merger between MARK and Al Khalij Commercial Bank (KCBK). MARK will disclose the meeting results immediately after the meeting. (QSE)
- **QAMC to disclose its annual financial results on February 4** – Qatar Aluminum Manufacturing Company (QAMC) will disclose its financial statement for the period ending December 31, 2020 on February 4, 2021. (QSE)
- **QLM awaits regulatory approval for QSE debut** – QLM Life and Medical Insurance (QLM), which recently closed its initial public offering (IPO), is awaiting regulatory approval for its debut on Qatar Stock Exchange (QSE). The listing was scheduled for January 6 as per its IPO prospectus, but a company spokesman said it will provide an update on the precise date as soon as regulatory approvals are obtained and the date is confirmed. After QLM starts trading, expected to be in this month itself, it will join the insurance sector, which already has Qatar Insurance Company, Qatar General Insurance and Reinsurance Company, Al Khaleej Takaful, Qatar Islamic Insurance and Doha Insurance. (Gulf-Times.com)
- **World Bank: Qatar set to post GCC's best growth rate of 3% in 2021** – Qatar economy is set to rebound this year with the World Bank forecasting it to grow 3%, which will be the best in the entire GCC region. According to the World Bank, Qatar's economy is estimated to have contracted with a -2% growth in 2020. For 2022, the Bank has forecast a 3% growth for Qatar economy. The other GCC countries are forecast to grow between 0.5% and 2.2% this year. In an online briefing, the World Bank said economic activity in the Middle East and North Africa (MENA) is forecast to recover modestly to 2.1% in 2021, reflecting the lasting damage from the pandemic and low oil prices. The recovery is contingent on containment of the pandemic, stabilizing oil prices, no further escalation of geopolitical tensions, and the assumption of a vaccine rollout in the second half of the year. By 2022, after two years of expected recovery, output is still about 8% below the output projected prior to the pandemic, with a larger impact on oil importers than

exporters. Among oil exporters, growth is expected to recover to 1.8% this year, supported by normalizing oil demand, the scheduled easing of the OPEC+ oil production cuts, policy support, and the gradual phasing out of domestic pandemic-related restrictions. Growth in oil importers is expected to rebound to 3.2% in 2021 as mobility restrictions are gradually eased and exports and domestic demand recover slowly. (Gulf-Times.com)

- **Qatar central bank sells QR600mn of T-bills** – Qatar’s central bank sold QR600mn of Treasury bills in an auction. Qatar sold 273-day QR100mn of bills due October 5 having a yield of 0.14% and settled on January 5, sold 182-day QR200mn of bills due July 6 having a yield of 0.12% and settled on January 5 and sold 91-day QR300mn of bills due April 6. The bills have a yield of 0.07% and settled on January 5. (Bloomberg)
- **Kahramaa marks several achievements in electricity sector in 2020** – The Qatar General Electricity and Water Corp (Kahramaa) marked several achievements in the electricity sector in 2020. According to information received from the corporation, Kahramaa launched 28 electrical stations including 13 stations for the transmission network. These are in addition to 19 underground cable circuits and two antenna lines that are connected to control centers. These centers were set up at a cost of more than QR2.5bn. Kahramaa strengthened its operations with various projects related to electricity production and distribution with the aim of ensuring the sustainability of its services to be a tributary for growth overcoming the challenges posed by COVID-19 pandemic. Kahramaa also launched a project to store electrical energy using batteries. The 11 kv voltage project than connected it to Kahramaa’s Nuaija station. Besides, various stations and transmission lines feeding the metro network were launched while 20 transmission stations were inaugurated. These include the major Al Suwaidi Super Substation, which is the first major substation with a voltage of (132/400) KV at the heart of Doha. The substation serves Al-Sadd, Bin Mahmoud and Fareej Al-Sudan while the electricity requirements of Al Bidda metro station will also be met by the station. (Gulf-Times.com)
- **Review tax liabilities on tax administration portal (Dhareeba) before 14 January 2021** – The tax authority has started sending emails and communications to taxpayers, asking them to review and update their account statements on the “Dhareeba” portal before 14 January 2021. The tax authority has started sending emails and communications to taxpayers, asking them to review and update their account statements on the “Dhareeba” portal before 14 January 2021. Taxpayers need to provide proof of payment for each tax liability appearing as overdue on “Dhareeba” system if in fact the tax liability has already been settled by the taxpayer. Taxpayers are also required to determine that any outstanding, unresolved penalties or additional taxes are either settled or that other necessary actions are taken (such as objections or appeals). A failure to provide the required evidence of payment by the 14 January 2021 deadline may result in a determination that the amounts listed as balances due are thus subject to payment. (Bloomberg)

International

- **World Bank sees global output up 4% in 2021, flags downside risks** – The global economy is expected to expand 4% in 2021 after shrinking 4.3% in 2020, the World Bank said, although it warned that rising COVID-19 infections and delays in vaccine distribution could limit the recovery to just 1.6% this year. The World Bank’s semi-annual forecast showed the collapse in activity due to the coronavirus pandemic was slightly less severe than previously forecast, but the recovery was also more subdued and still subject to considerable downside risk. “The near-term outlook remains highly uncertain,” the Bank said in a statement. “A downside scenario in which infections continue to rise and the rollout of a vaccine is delayed could limit the global expansion to 1.6% in 2021.” With successful pandemic control and a faster vaccination process, global growth could accelerate to nearly 5%, it said in its latest Global Economic Prospects report. More than 85mn people have been infected by the novel coronavirus and nearly 1.85mn have died since the first cases were identified in China in December 2019. The pandemic is expected to have long-lasting adverse effects on the global economy, worsening a slowdown that was already projected before the outbreak began, and the world could face a “decade of growth disappointments” unless comprehensive reforms were put in place, the Bank said. Shallower contractions in advanced economies and a more robust recovery in China helped avert a bigger collapse in overall global output, but disruptions were more acute in most other emerging market and developing economies, the Bank said. Aggregate GDP in emerging markets and developing economies - including China - is expected to grow 5% in 2021 after a contraction of 2.6% in 2020. China’s economy was expected to expand by 7.9% this year after growing by 2% in 2020, the Bank said. Excluding China, emerging market and developing economies were seen expanding 3.4% in 2021 after shrinking 5% in 2020. (Reuters)
- **US factory activity approaches 2-1/2-year high; COVID-19 hitting supply chains** – US factory activity accelerated to its highest level in nearly 2-1/2 years in December as the coronavirus pandemic continues to pull demand away from services towards goods, though spiraling new infections are causing bottlenecks in supply chains. The strength in manufacturing reported by the Institute for Supply Management (ISM) likely helped to soften the blow on the economy in the fourth quarter from the relentless spread of COVID-19 and government delays in approving another rescue package to help businesses and the unemployed. The ISM said the virus was “limiting manufacturing growth potential” because of absenteeism and short-term shutdowns to sanitize facilities at factories and their suppliers. The ISM’s index of national factory activity increased to a reading of 60.7 last month. That was the highest level since August 2018 and followed a reading of 57.5 in November. A reading above 50 indicates expansion in manufacturing, which accounts for 11.9% of the US economy. Economists polled by Reuters had forecast the index would slip to 56.6 in December. The ISM survey mirrored manufacturing gains in the Eurozone and China. Some of the surprise rebound in the ISM index, however, was due to an increase in the survey’s measure of supplier deliveries to a reading of 67.6 last month from 61.7 in November. A lengthening in suppliers’ delivery times is

normally associated with a strong economy and increased customer demand, which would be a positive contribution. But in this case slower supplier deliveries indicate supply shortages related to the pandemic. Nevertheless, demand for manufactured goods has been strong as the resurgence in new COVID-19 cases has led to fresh business restrictions across the US, largely impacting the vast services sector. (Reuters)

- **In sudden U-turn, NYSE scraps plan to delist three Chinese telecom firms** – The New York Stock Exchange (NYSE) said it no longer intends to delist three Chinese telecom giants - a shock reversal of an announcement made only last week and deepening confusion over a US crackdown on firms said to be linked to China's military. The U-turn comes in the waning days of the Trump administration and against a backdrop of tension within Washington on China policy. US Treasury Secretary Steve Mnuchin has long been seen as taking a dovish view on China, seeking to thwart attempts by hardliners in the administration - many within the State Department - to crack down on Chinese companies. The bourse, which had planned to delist the companies - China Mobile, China Telecom and China Unicom - before January 11, said in a brief statement it had made the decision "in light of further consultation with relevant regulatory authorities in connection with (the US Treasury) Office of Foreign Assets Control." (Reuters)
- **Increased new-car demand during pandemic has US industry optimistic about 2021** – Increased demand for new vehicles during the COVID-19 pandemic helped General Motors Co and other automakers report strong fourth-quarter US sales, and executives voiced optimism the rebound from low sales during the April-May production shutdown will continue in 2021. GM reported a 4.8% increase in US sales in the fourth quarter, while Toyota Motor Corp and Volkswagen AG saw their sales rise 9.4% and 10.8%, respectively. Industry officials expect the US auto sector to finish the year with 2020 sales in the range of 14.5mn to 14.6mn, which would be down from 17.1mn in 2019. But with vaccines being rolled out, low interest rates and strong consumer savings, officials expect demand this year to rebound. Toyota officials said they expect 2021 US new-vehicle sales of 16mn, while VW forecast 15.6mn. (Reuters)
- **UK offers extra \$6.2bn to firms to soften new COVID-19 recession** – Britain offered a 4.6bn Pound (\$6.2bn) support package for businesses on Tuesday to soften an expected recession caused by a surge in COVID-19 cases that has triggered a third national lockdown. Prime Minister Boris Johnson announced the lockdown on Monday, saying a highly contagious coronavirus variant risked overwhelming the health service within 21 days. Most people must work from home and schools have closed for almost all pupils. Hospitality venues must stay shut, as well as non-essential shops. Britain's economy looks likely to tip back into recession - shrinking in the final quarter of 2020 and the first quarter of 2021 - following a record 25% fall in output in the first two months of lockdown in 2020. The new downturn is expected to be far softer, with most businesses now much better adapted to working remotely and construction sites and factories expected to stay open. But economists at J.P. Morgan still predicted a 2.5% fall in output for the first three months of 2021. Finance minister Rishi Sunak has previously announced emergency help for the economy

worth 280bn Pounds, including a massive job protection scheme that will run until the end of April. Under Tuesday's additional measures, retail, hospitality and leisure companies will be able to claim one-off grants worth up to 9,000 Pounds to get them through the coming months, costing up to 4bn Pounds in total, along with 600mn Pounds of grants for other businesses. (Reuters)

- **Buoyant German retail sales, jobs data belie broader COVID gloom** – German retail sales rose in November and jobless numbers fell last month, against forecasts that both readings would worsen, suggesting that parts of Europe's largest economy have weathered the impact of the coronavirus unexpectedly well. Retail sales rose 1.9% in November, when markets had anticipated a contraction, the Federal Statistics Office said, adding that it expected sales to have grown around 4% during 2020 as a whole - exceeding 2019's 3.2% expansion. The monthly increase - covering a period when Germany was in partial lockdown with shops still open - was driven by online transactions and spending on home improvements, the office said. In separate data, the Federal Labor Agency said the number of jobless fell a seasonally-adjusted 37,000 year on year in December, when the lockdown was tightened, with most shops forced to close from mid-month. Analysts had expected an increase. The employment numbers - which ING analyst Carsten Brzeski cautioned should be taken with "a big spoon of salt" - were boosted by a state-backed part-time work scheme designed to protect jobs that some 666,000 people were placed on in December. Germany is expected to further extend its tougher anti-COVID restrictions on Tuesday as infection rates have remained high. The Statistics Office said its provisional full-year retail sales growth figure - contrasting with an expected drop of 5.5% in GDP, according to the Bundesbank - included December's full lockdown. The office also said the estimate was "freighted with greater uncertainties" than usual due to the pandemic. (Reuters)
- **Japan's state of emergency seen triggering first-quarter economic contraction** – Japan's likely decision to declare a state of emergency in the Tokyo area will most probably trigger a contraction in January-March, analysts say, adding to the headache for policymakers struggling to cushion the blow to the economy from the pandemic. The world's third-largest economy rebounded sharply in the third quarter last year from a record April-June slump caused by the pandemic, heightening expectations a moderate recovery. But such hopes have been dashed by a resurgence in COVID-19 infections that have forced the government to consider imposing a state of emergency that could last about a month. Media reported on Monday that preparations were being made for a state of emergency that would take effect by Friday. While the restrictions will be far less sweeping than those during last year's nationwide state of emergency, analysts expect them to inflict severe damage on consumption. (Reuters)

Regional

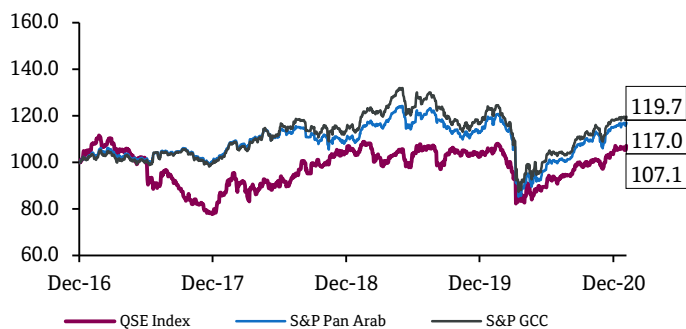
- **OPEC+ agrees rollover deal with a twist** – The OPEC+ group of oil producers agreed on Tuesday to roll over existing oil output levels into February, but with Saudi Arabia voluntarily cutting production below its quota and Russia and Kazakhstan being allowed to raise, an OPEC+ source said. (Reuters)

- World Bank tips fragile recovery for MENA in 2021** – The World Bank on Tuesday predicted a moderate economic recovery for the Middle East and North Africa (MENA) in 2021, while highlighting the many challenges still posed by the coronavirus pandemic. The Washington-based institution said the pandemic had seen the region's economies shrink by about 5.0% in 2020, inflicting heavy job losses and a sharp increase in the number of people living below the poverty line of less than \$5.50 a day. "Among oil exporters, growth is expected to recover to 1.8% this year, supported by normalizing oil demand, the scheduled easing of the OPEC+ oil production cuts, policy support, and the gradual phasing out of domestic pandemic-related restrictions," it said in a report. Saudi Arabia, the largest economy in the Arab world, will benefit from the resumption of public projects, which had been postponed at the beginning of the crisis, and the recovery of demand after a sharp rise in VAT, it said, tipping a 2.0% expansion. Growth should also accelerate to 1.5% in Iran thanks to the recovery of domestic consumption and tourism and the mitigation of the effects of Covid-19, they added. Growth in other countries in the region is expected to reach 3.2% in 2021 due to the easing of travel restrictions and a slow recovery of domestic demand. However, it is expected to reach only 2.7% in Egypt, the most populous country in the region, following the "collapse" of various sectors, notably tourism and gas extraction. The World Bank warned that regional economies faced a variety of hurdles as they try to get back on their feet. "The recovery is contingent on containment of the pandemic, stabilizing oil prices, no further escalation of geopolitical tensions, and the assumption of a vaccine rollout in the second half of the year," it said. (Gulf-Times.com)
- Frost & Sullivan: GCC logistics industry estimated to grow 4.3% between 2020 and 2025** – GCC logistics industry is estimated to grow 4.3% between 2020 and 2025, according to market researcher Frost & Sullivan. Frost & Sullivan believes that mega-events in the GCC and investment in digital infrastructure upgrade to accommodate the growing demand from the e-commerce sector will drive logistics industry growth in the region. The logistics industry in the GCC region is evolving rapidly driven by increasing non-oil sector contribution to the GDP, infrastructure development, the emergence of free trade zone, industrial parks, and increased trade co-operation. Governments in the region have undertaken policy measures to reduce their dependency on oil exports by strengthening economic diversification initiatives, tax reforms, improving the investment climate, increasing investment in food security and encouraging private sector participation. Covid-19 related disruptions caused significant slowdown during 1H2020. (Gulf-Times.com)
- Saudi non-oil private sector shows burst of growth in December** – Saudi Arabia's non-oil private sector expanded for the fourth straight month in December as economic activity in the Kingdom rebounds from the impact of the COVID-19 pandemic, a survey showed on Tuesday. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) rose to 57.0 in December from 54.7 in November. The 50.0 mark separates growth from contraction. The improvement in business conditions was the strongest in 13 months, with output and new orders expanding at the sharpest rates seen during 2020 supported by stronger domestic demand and price discounts at some companies. The Saudi economy suffered a major setback last year due to the coronavirus crisis and lower oil prices, but recent data showed the economy shrank more slowly in the third quarter as the government eased some coronavirus restrictions. (Reuters)
- Saudi vows extra cuts as OPEC+ agrees small rise in oil output** – Saudi Arabia pledged additional, voluntary oil output cuts of one million bpd in February and March as part of a deal under which most OPEC+ producers will hold production steady in the face of new coronavirus lockdowns. Saudi is going beyond its promised cuts as part of the OPEC+ group of producers to support both its own economy and the oil market, Energy Minister, Prince Abdulaziz bin Salman said on Tuesday. "If there is one way to describe what its voluntary cut means for the market, 'happy hour' is a pretty fitting term," Rystad Energy Analyst, Bjornar Tonhaugen said. (Reuters)
- APICORP signs \$125mn finance deal with ACWA Power** – Saudi Arabian utility developer ACWA Power has signed a \$125mn Shari'ah-compliant finance deal with APICORP, to accelerate its energy transition, both in the Middle East and North Africa (MENA) and around the world. The five-year corporate facility with the Saudi-based financial institution will support ACWA Power's future growth pipeline and has been earmarked for funding the company's investments in renewable projects, in countries in which it already operates, as well as future high-growth markets. "The five-year tenor is well suited for financing a typical renewable project's initial life cycle, enabling greater financial strength during the early development phase. "Moreover, the APICORP facility can also be utilized as a revolver loan during the initial three-year period, whereby it could be settled and redrawn as per ACWA Power's liquidity needs, enabling the company to recycle capital and increase financial capacity for further portfolio development and growth," the companies said in a joint statement. Managing Director of corporate banking at APICORP, Nicolas Thévenot said: "Worldwide and across the MENA region, we are witnessing a concerted drive to accelerate the share of renewables in the energy mix through the adoption of innovative, low-carbon technologies and solutions." In October, APICORP announced a \$70.5mn agreement to finance the fifth phase of the Mohammed bin Rashid Al Maktoum Solar Park in Dubai. (Zawya)
- SADAFCO announces SR96mn half year cash dividend** – Saudi Arabia-based Saudia Dairy and Foodstuff Co. (SADAFCO) has announced a SR96mn half-year dividend, the equivalent of SR3 per share. The number of shares eligible is 33,99,750, the company said. Last year, the company said it faced 'minimal' impact from COVID-19, and that demand for dairy products increased during the early stages of pandemic. (Zawya)
- UAE non-oil private sector grows in December but employment falls** – Activity in the UAE's non-oil private sector grew in December due to increased sales and export demand, but the rate of increase was mild and employment continued to fall, a survey showed on Tuesday. The seasonally adjusted IHS Markit UAE Purchasing Managers' Index (PMI), which covers manufacturing and services, rose to 51.2 in December from 49.5 in November, going above the 50.0 mark that separates growth from contraction for the first time since September. Output

returned to expansion and new business also rose, with anecdotal evidence linking it to higher demand from abroad, particularly from Gulf countries, and to the continued offering of price discounts. New export orders grew at the strongest rate in 15 months, according to the survey. Despite this, firms continued to shed jobs, in a sign that the coronavirus crisis - which has hit important sectors of the UAE economy such as tourism and transportation - continued to weigh on overall economic activity. The PMI employment sub-component fell to 47.7 in December from 48.8 in November. "The jobs market continued to act as a drag on the sector, as employment fell again at the end of the year," Economist at IHS Markit, David Owen said. (Reuters)

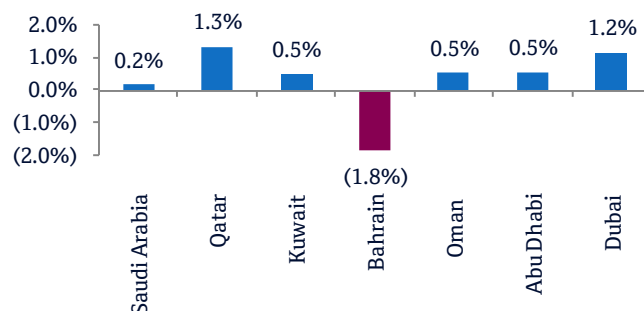
- **Emirates NBD hires banks for bond deal** – Emirates NBD, has mandated banks to arrange an investor call ahead of a planned issuance of US dollar-denominated bonds, a document showed on Tuesday. The bank hired Emirates NBD Capital, ICBC, ING, Mizuho Securities and Standard Chartered for the potential benchmark deal, which would have a five-year maturity, according to the document. Benchmark bonds are generally meant to be at least \$500mn in size. (Reuters)
- **SHUAA Capital invests in music tech streaming service Anghami** – SHUAA Capital says its managed funds platform invested in Anghami, a music streaming service in the Middle East and North Africa (MENA). The investment is part of Anghami's latest funding round. Dubai-based SHUAA did not provide a value for the investment. SHUAA says Anghami has a catalog comprising more than 50mn songs; it has offices in Beirut, Dubai, Cairo and Riyadh. (Bloomberg)
- **Kuwait's KUFPEC signs exploration pact with Egypt's EGAS** – Kuwait Foreign Petroleum Exploration Company (KUFPEC) signed on Tuesday an exploration and production agreement with the Egyptian Natural Gas Holding Company (EGAS), in Ras Knayes marine, offshore Egypt in the Mediterranean Sea. In a statement to KUNA, KUFPEC said that its share in the agreement amounted to 25%, as it comes in partnership with Total (the operator) at 35%, (Shell) 30%, and the Egyptian National Oil Company 10%. The block covers an area of 4,550 square kilometer, extending from five to 150 km from the shore, with water depths ranging from 50 to 3,200 meters, the Herodotus Basin is a frontier basin, and the agreement commitments include a 3D seismic campaign during the first three years, it added. It also pointed out that the agreement came as part of the company's exploration growth strategy and this Block builds on KUFPEC's recent success and announcement of achieving first oil discovery from well GNN-4 in the Gulf of Suez Geisum and West Tawila Concession on June 18, 2020. (Bloomberg)
- **Kuwait sells KD240mn 182-day bills; bid-cover at 11.42x** – Kuwait sold KD240mn of 182-day bills due on July 6, 2021. Investors offered to buy 11.42 times the amount of securities sold. The bills have a yield of 1.25% and settled on January 5, 2021. (Bloomberg)
- **Vodafone's Partner in Oman gets mobile phone license** – Oman Future Telecommunications, Vodafone's Partner in Oman has received license to provide mobile phone services, state-run Oman News Agency reports, citing a royal decree. (Bloomberg)
- **Bahrain economy shrank by 6.9% in 3Q2020** – Bahrain's real GDP declined by 6.9% YoY in the third quarter of 2020, the government said in a statement on Tuesday. The economy however grew 1.4% QoQ in the same period. "The recovery is in line with that witnessed by the global economy during the third quarter of 2020, after the contractions over the first half of the year as a result of the repercussions of the coronavirus (COVID-19) pandemic and the decline in global oil prices," the government said in a statement. (Reuters)
- **Bahrain sells BHD26mn 182-day Islamic Sukuk; bid-cover at 4.77x** – Bahrain sold BHD26mn of 182-day Islamic Sukuk due on July 8, 2021. Investors offered to buy 4.77 times the amount of securities sold. The 0% Sukuk have a yield of 2.58% and will settle on January 7, 2021. (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 1.3x** – Bahrain sold BHD70mn of 91-day bills due on April 7, 2021 on January 6, 2021. Investors offered to buy 1.3 times the amount of securities sold. The bills were sold at a price of 99.446, have a yield of 2.2% and will settle on January 6, 2021. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,950.01	0.4	2.7	2.7
Silver/Ounce	27.55	1.2	4.4	4.4
Crude Oil (Brent)/Barrel (FM Future)	53.60	4.9	3.5	3.5
Crude Oil (WTI)/Barrel (FM Future)	49.93	4.9	2.9	2.9
Natural Gas (Henry Hub)/MMBtu	2.56	0.0	7.1	7.1
LPG Propane (Arab Gulf)/Ton	79.75	0.9	6.0	6.0
LPG Butane (Arab Gulf)/Ton	78.50	1.9	4.7	4.7
Euro	1.23	0.4	0.7	0.7
Yen	102.72	(0.4)	(0.5)	(0.5)
GBP	1.36	0.4	(0.3)	(0.3)
CHF	1.14	0.3	0.9	0.7
AUD	0.78	1.2	0.8	0.8
USD Index	89.44	(0.5)	(0.6)	(0.6)
RUB	74.02	(0.4)	(0.5)	(0.5)
BRL	0.19	0.2	(1.7)	(1.7)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,684.18	0.5	(0.2)	(0.2)
DJ Industrial	30,391.60	0.6	(0.7)	(0.7)
S&P 500	3,726.86	0.7	(0.8)	(0.8)
NASDAQ 100	12,818.96	0.9	(0.5)	(0.5)
STOXX 600	400.94	0.2	1.1	1.1
DAX	13,651.22	(0.2)	(0.4)	(0.4)
FTSE 100	6,612.25	1.1	2.2	2.2
CAC 40	5,564.60	(0.1)	0.9	0.9
Nikkei	27,158.63	0.1	(0.5)	(0.5)
MSCI EM	1,319.97	1.2	2.2	2.2
SHANGHAI SE Composite	3,528.68	0.8	2.7	2.7
HANG SENG	27,649.86	0.7	1.5	1.5
BSE SENSEX	48,437.78	0.5	1.1	1.3
Bovespa	119,376.20	0.0	(1.8)	(1.8)
RTS	1,426.11	0.1	2.8	2.8

Source: Bloomberg (*\$ adjusted returns)

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