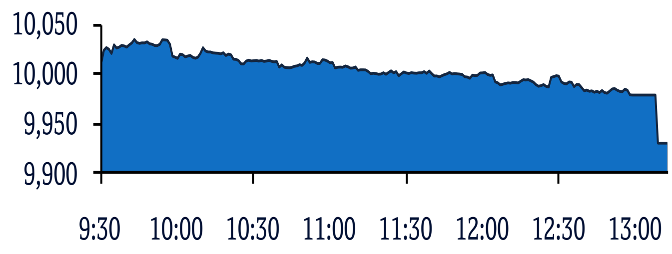
Daily Market Report

Thursday, 08 October 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.8% to close at 9,932.4. Losses were led by the Industrials and Insurance indices, falling 1.8% each. Top losers were Qatar Cinema & Film Distribution Company and Industries Qatar, falling 7.9% and 3.9%, respectively. Among the top gainers, Qatar First Bank gained 8.6%, while Salam International Investment Limited was up 3.7%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.1% to close at 8,358.8. Losses were led by the Software and Food indices, falling 1.4% and 0.8%, respectively. Amana Cooperative Insurance declined 8.1%, while Arab Sea Information Systems was down 3.4%.

Dubai: The DFM Index fell 0.6% to close at 2,212.7. The Real Estate & Construction and Insurance indices declined 1.7% each. Dubai Islamic Insurance Reinsurance Company declined 4.6%, while Emaar Malls was down 2.8%.

Abu Dhabi: The ADX General Index gained 0.3% to close at 4,494.5. The Telecommunication index rose 1.0%, while Consumer Staples was up 0.2%. Abu Dhabi Commercial Bank rose 1.3%, while Emirates Telecom Group Co. was up 1.0%.

Kuwait: The Kuwait All Share Index gained 0.8% to close at 5,689.5. The Telecommunications index rose 1.6%, while the Industrials index gained 1.2%. Al Ahli Bank of Kuwait rose 6.0%, while Gulf Cement Company was up 5.9%.

Oman: The MSM 30 Index gained 0.1% to close at 3,608.1. Gains were led by the Industrial and Services indices, rising 0.4% each. Al Jazeera Steel Products Company rose 4.5%, while National Aluminium Products Company was up 3.3%.

Bahrain: The BHB Index gained 0.3% to close at 1,449.4. The Insurance index rose 1.5%, while the Services index gained 1.0%. Ithmaar Holding rose 10.0%, while Bahrain & Kuwait Insurance Company was up 5.3%.

Market Indicators	07 Oct 20	06 Oct 20	%Chg.
Value Traded (QR mn)	745.9	838.8	(11.1)
Exch. Market Cap. (QR mn)	588,372.4	594,396.5	(1.0)
Volume (mn)	438.0	508.5	(13.9)
Number of Transactions	11,884	14,666	(19.0)
Companies Traded	47	47	0.0
Market Breadth	14:33	32:11	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,094.78	(0.8)	(0.7)	(0.5)	16.0
All Share Index	3,076.92	(0.7)	(0.3)	(0.7)	16.9
Banks	4,127.53	(0.3)	(0.2)	(2.2)	13.8
Industrials	2,921.79	(1.8)	(0.9)	(0.3)	25.3
Transportation	2,829.76	0.3	0.2	10.7	13.4
Real Estate	2,047.97	(1.7)	(1.3)	30.9	16.1
Insurance	2,162.25	(1.8)	(1.3)	(20.9)	32.8
Telecoms	929.70	(1.5)	1.3	3.9	15.7
Consumer	8,101.95	(0.4)	0.5	(6.3)	24.5
Al Rayan Islamic Index	4,178.33	(0.7)	(0.1)	5.8	18.4

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Southern Province Cem.	Saudi Arabia	71.80	3.2	400.4	11.5
Bupa Arabia for Coop. Ins.	Saudi Arabia	126.20	2.1	192.4	23.2
Agility Public Wareh. Co.	Kuwait	0.70	1.9	7,173.0	(1.6)
Mobile Telecom. Co.	Kuwait	0.61	1.8	9,823.5	1.3
Ahli United Bank	Kuwait	0.29	1.8	1,630.3	(11.3)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Industries Qatar	Qatar	9.61	(3.9)	799.8	(6.5)
Emaar Malls	Dubai	1.41	(2.8)	1,879.5	(23.0)
National Industrialization	Saudi Arabia	13.18	(2.7)	7,927.1	(3.7)
Ezdan Holding Group	Qatar	2.04	(2.5)	7,159.6	231.2
The Commercial Bank	Qatar	4.00	(2.2)	2,349.0	(14.9)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.90	8.6	97,976.9	132.3
Salam International Inv. Ltd.	0.65	3.7	40,343.8	25.7
Gulf Warehousing Company	5.29	3.0	9,521.6	(3.6)
Investment Holding Group	0.64	1.3	83,000.6	13.7
Qatar Electricity & Water Co.	17.00	1.1	408.0	5.7

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.90	8.6	97,976.9	132.3
Investment Holding Group	0.64	1.3	83,000.6	13.7
Salam International Inv. Ltd.	0.65	3.7	40,343.8	25.7
Mazaya Qatar Real Estate Dev.	1.24	(3.0)	35,023.0	72.6
United Development Company	1.82	(0.7)	33,783.6	20.0

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	3.81	(7.9)	0.0	73.4
Industries Qatar	9.61	(3.9)	799.8	(6.5)
Al Khaleej Takaful Insurance Co.	1.98	(3.6)	7,865.9	(1.2)
Ahli Bank	3.20	(3.0)	23.7	(4.0)
Mazaya Qatar Real Estate Dev.	1.24	(3.0)	35,023.0	72.6

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar First Bank	1.90	8.6	186,236.0	132.3
United Development Company	1.82	(0.7)	62,942.2	20.0
Investment Holding Group	0.64	1.3	53,151.3	13.7
Gulf Warehousing Company	5.29	3.0	50,197.3	(3.6)
Mazaya Qatar Real Estate Dev.	1.24	(3.0)	44,312.8	72.6

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*	9,932.43	(0.8)	(0.7)	(0.6)	(4.7)	202.47	159,684.3	16.0	1.5	4.0
Dubai	2,212.73	(0.6)	(2.3)	(2.7)	(20.0)	38.30	84,801.4	8.4	0.8	4.4
Abu Dhabi	4,494.53	0.3	0.1	(0.5)	(11.5)	89.07	183,181.1	16.4	1.3	5.4
Saudi Arabia	8,358.79	(0.1)	0.8	0.7	(0.4)	2,908.74	2,433,821.1	30.1	2.0	2.4
Kuwait	5,689.49	0.8	4.5	4.5	(9.4)	233.79	107,028.5	30.6	1.4	3.4
Oman	3,608.12	0.1	(0.2)	(0.2)	(9.4)	2.68	16,337.2	10.7	0.7	6.8
Bahrain	1,449.38	0.3	1.2	1.0	(10.0)	4.89	22,042.8	13.5	0.9	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)

Qatar Market Commentary

- The QE Index declined 0.8% to close at 9,932.4. The Industrials and Insurance indices led the losses. The index fell on the back of selling pressure from Qatari and Arab shareholders despite buying support from GCC and Foreign shareholders.
- Qatar Cinema & Film Distribution Company and Industries Qatar were the top losers, falling 7.9% and 3.9%, respectively. Among the top gainers, Qatar First Bank gained 8.6%, while Salam International Investment Limited was up 3.7%.
- Volume of shares traded on Wednesday fell by 13.9% to 438.0mn from 508.5mn on Tuesday. However, as compared to the 30-day moving average of 367.0mn, volume for the day was 19.3% higher. Qatar First Bank and Investment Holding Group were the most active stocks, contributing 22.4% and 19.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	55.58%	57.92%	(17,476,622.5)
Qatari Institutions	16.06%	15.24%	6,159,282.1
Qatari	**71.65%**	**73.16%**	**(11,317,340.4)**
GCC Individuals	1.21%	1.36%	(1,176,760.9)
GCC Institutions	0.77%	0.43%	2,531,468.8
GCC	**1.98%**	**1.79%**	**1,354,708.0**
Arab Individuals	13.21%	14.09%	(6,573,641.6)
Arab	**13.21%**	**14.09%**	**(6,573,641.6)**
Foreigners Individuals	3.34%	3.30%	345,276.7
Foreigners Institutions	9.83%	7.66%	16,190,997.3
Foreigners	**13.18%**	**10.96%**	**16,536,274.0**

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
10/07	US	Mortgage Bankers Association	MBA Mortgage Applications	02-Oct	4.6%	–	-4.8%
10/07	Germany	Deutsche Bundesbank	Industrial Production SA MoM	Aug	-0.2%	1.5%	1.4%
10/07	Germany	Bundesministerium fur Wirtscha	Industrial Production WDA YoY	Aug	-9.6%	-8.7%	-10.0%

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 3Q2020 results	No. of days remaining	Status
QNBK	QNB Group	11-Oct-20	3	Due
MARK	Masraf Al Rayan	11-Oct-20	3	Due
QIBK	Qatar Islamic Bank	14-Oct-20	6	Due
ERES	Ezdan Holding Group	14-Oct-20	6	Due
IHGS	INMA Holding Group	18-Oct-20	10	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	19-Oct-20	11	Due
QEWS	Qatar Electricity & Water Company	19-Oct-20	11	Due
QIGD	Qatari Investors Group	19-Oct-20	11	Due
MCGS	Medicare Group	20-Oct-20	12	Due
QNNS	Qatar Navigation (Milaha)	21-Oct-20	13	Due
ABQK	Ahli Bank	21-Oct-20	13	Due
QGMD	Qatari German Company for Medical Devices	22-Oct-20	14	Due
QCFS	Qatar Cinema & Film Distribution Company	25-Oct-20	17	Due
QIIK	Qatar International Islamic Bank	26-Oct-20	18	Due
DBIS	Dlala Brokerage & Investment Holding Company	26-Oct-20	18	Due
BLDN	Baladna	26-Oct-20	18	Due
QISI	Qatar Islamic Insurance Group	27-Oct-20	19	Due
DHBK	Doha Bank	27-Oct-20	19	Due
SIIS	Salam International Investment Limited	28-Oct-20	20	Due
DOHI	Doha Insurance Group	28-Oct-20	20	Due
QFBQ	Qatar First Bank	28-Oct-20	20	Due
MERS	Al Meera Consumer Goods Company	28-Oct-20	20	Due
ORDS	Ooredoo	28-Oct-20	20	Due
UDCD	United Development Company	28-Oct-20	20	Due
NLCS	Alijarah Holding	29-Oct-20	21	Due
ZHCD	Zad Holding Company	29-Oct-20	21	Due
AKHI	Al Khaleej Takaful Insurance Company	29-Oct-20	21	Due

AHCS	Aamal Company	29-Oct-20	21	Due

Source: QSE

News

Qatar

- **SIIS to disclose 3Q2020 financial statements on October 28 –** Salam International Investment Limited (SIIS) intends to disclose the 3Q2020 financial statements for the period ending September 30, 2020, on October 28, 2020. (QSE)
- **NLCS to disclose 3Q2020 financial statements on October 29 –** Alijarah Holding (NLCS) intends to disclose the 3Q2020 financial statements for the period ending September 30, 2020, on October 29, 2020. (QSE)
- **NLCS to hold conference call on November 01** – National Leasing Holding (NLCS) will hold its investor relations conference call to discuss the financial results for 3Q2020 on November 01, 2020 at 1:00pm, Doha Time. (QSE)
- **QIBK to hold conference call on October 19 –** Qatar Islamic Bank (QIBK) will hold its investor relations conference call to discuss the financial results on October 19, 2020 at 12:30pm. (QSE)
- **MPHC to disclose 3Q2020 financial statements on October 28** – Mesaieed Petrochemical Holding Company (MPHC) intends to disclose the 3Q2020 financial statements for the period ending September 30, 2020, on October 28, 2020. (QSE)
- **MPHC to hold conference call on November 03** – Mesaieed Petrochemical Holding Company (MPHC) will hold its investor relations conference call to discuss the financial results for 3Q2020 on November 03, 2020 at 1:30pm, Doha Time. (QSE)
- **UDCD's subsidiary Corinthia Hotels sign agreements for properties at The Pearl-Qatar, Gewan Island –** United Development Company (UDC) through its subsidiary Leisure and Resorts Company, signed technical services and management and operation agreements with Corinthia Hotels, for 'Corinthia Gewan Island Qatar' hotel, and its connected golf course and beach club in Gewan Island, in addition to the new Yacht Club at The Pearl-Qatar. The agreements were signed by H.E Mr. Turki bin Mohammed Al-Khater, UDC Chairman, and Mr. Ibrahim Jassim Al-Othman, UDC President and Chief Executive Officer and Member of The Board, in addition to Mr. Alfred Pisani, Founder and Chairman of Corinthia Hotels, and Mr. Simon Naudi, Chief Executive Officer of Corinthia Hotels. In this context, H.E Mr. Turki bin Mohammed Al-Khater said: "This partnership fulfils a strategic objective in The Pearl-Qatar and Gewan Island's development plans, one which will ensure UDC's sustainable growth and support the national economy. Furthermore, the choice of the leading Corinthia Hotels group opens up wide horizons for cooperation and expansion in the promising hospitality sector." For his part, Mr. Ibrahim Jassim Al-Othman, said: "We are confident that this partnership with Corinthia Hotels, which boasts an extensive experience in managing and operating luxurious hotels worldwide, will deliver exceptional high-end hospitality that will set a new benchmark in Doha. The new hotel and added-value leisure facilities, will be a unique landmark that reflects the concepts of luxury and brilliance on Gewan Island." Speaking about the new Yacht Club at The Pearl-Qatar, Mr. Al-Othman said: "The Yacht Club with its modern design and elegant settings, will offer a unique ambiance within charming backdrops of Porto Arabia marina. It will be therefore the ideal location for casual gatherings and enjoyment as well as a prized addition to the distinctive facilities of The Pearl-Qatar. It will equally reinforce the Island's position as a remarkable destination that provides exceptional experiences and innovative concepts that serve tourism and hospitality." The new Yacht Club will span an area of 1,450 sqm and will feature many facilities including fine dining restaurants, climatized outdoor seating, as well as a cigar lounge, several meeting rooms, and many more services that help create a leisurely feel. Mr. Alfred Pisani said: "We are very much looking forward to establishing a long-term relationship with UDC in Qatar and internationally. I see today's signing as a first step towards a long and mutually beneficial relationship." (QSE)
- **Barwa Bank rebrands into Dukhan Bank; eyes ambitious business and digital transformation –** Marking the start of an exciting new banking journey, Barwa Bank announced its rebranding into Dukhan Bank, with effect from this month. The event was broadcasted to the public through the bank's social media channels. Under its vision to cement its position as "Qatar's Bank of Choice", the bank's rebranding comes at a time of massive transformation for the group. The bank is eyeing a fully digital infrastructure that delivers on operational efficiency and profitability, as well as on secure, simplified and seamless banking experience for its customers. The rebranding also reflects a shift in the bank's mindset towards product and service innovation; guided by the mission to empower people in solving their everyday problems and planning for their financial present, rather than for their distant future. The bank's new name takes after the City of Dukhan, West Qatar, the site of the first substantial oil reserve to have been discovered in the country; a milestone discovery that has laid the foundations for Qatar's economic and social growth for over eight decades. (Gulf-Times.com)
- **PM: World Cup projects in advanced stage –** Prime Minister and Minister of Interior HE Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani has said the meeting of the Supreme Committee for Delivery and Legacy, chaired by HH the Amir of State of Qatar Sheikh Tamim bin Hamad Al Thani, held important discussions as the Qatar 2022 World Cup projects reached an advanced stage as per the schedule. In a tweet, the PM said, "Today, I attended the meeting of the Supreme Committee for Delivery and Legacy headed by HH the Amir, in which important discussions took place as the Qatar 2022 World Cup projects reached an advanced stage of achievement at all levels and according to the decree schedule. The meeting also discussed in-depth ideas to achieve full partnership with FIFA, in the presence of Gianni Infantino." (Qatar Tribune)
- **Fitch: Qatar intends to repay $20bn in debt by 2021 –** Qatar intends to repay $20bn in debt by 2021, including more than $10bn this year, on top of scheduled maturities as part of

strategies to reduce the debt liabilities despite the COVID-19 pandemic challenges, according to Fitch, a global credit rating agency. "This is supported by precautionary fiscal reserves built up through $34bn in Eurobond issuances over the past three years," Fitch said, adding a marked and sustained reduction in government debt towards the 'AA' median is one of the positive sensitivities. With the government's proposed repayment, Qatar's government debt ratio is expected to fall significantly to 59.2% of GDP in 2021 and further to 57.9% in the subsequent year compared to a high of 72.5% estimated for this year. It was at 68.4% and 58.9% in 2019 and 2018 respectively. Qatar's 'AA-' ratings reflect a strong sovereign net foreign asset position, one of the world's highest ratios of GDP per capita and a flexible public finance structure allowing for favorable debt dynamics and a robust response to limit the fiscal impact of the coronavirus pandemic. These strengths are balanced against a high level of debt and exceptionally high contingent liabilities compared with rated peers and heavy hydrocarbon dependence, it said, highlighting that the contingent liabilities are large, in particular stemming from banks, which have assets of more than 200% of GDP and are at risk of potential volatility in external funding conditions. The rating agency estimates that sovereign net foreign assets (reserves plus other government assets less external debt) were about $240bn (130% of GDP) in 2019. On the other hand, net external debt is expected to increase to 8.6% and 13.6% of GDP in 2021 and 2022 respectively against the estimated 7.8% for this year and 4.9% in 2019. (Gulf-Times.com)

- **Ministry launches special section on website for non-Qatari real estate ownership –** Committee for the Regulation of Ownership and Use of Non-Qatari Property launched a special section for non-Qatari ownership and usufruct of real estate, on the website of the Ministry of Justice. The launch of this electronic page came within the framework of introducing the provisions of Cabinet Resolution No. 28 of 2020, determining the areas in which non-Qataris may own and benefit from real estate, and the terms, conditions, benefits and procedures for their ownership and use of them, and to communicate with the public and respond to their inquiries and questions, and to define the areas in which ownership and use are permitted, as well as the relevant laws and decisions. The page also reviews the privileges granted in the event of ownership or usufruct of these areas, and a list of the most common questions that may be subject to inquiries of those wishing to own or benefit from inside and outside the country, in addition to some links of interest to the page visitors. (Peninsula Qatar)

International

- **Trump urges Congress to provide $25bn bailout for US airlines –** US President Donald Trump said late on Tuesday Congress should quickly extend $25bn in new payroll assistance to US passenger airlines furloughing thousands of workers as air travel remains down sharply amid the coronavirus pandemic. Trump's new demand came hours after he announced his administration would abandon talks with congressional Democrats over proposals to spend at least $1.6tn in additional coronavirus relief funds, a move that appeared to scuttle a new $25bn bailout for US passenger airlines to keep tens of thousands of workers on the job for another six months. But Trump later issued a call on Twitter, urging Congress to "IMMEDIATELY Approve 25 Billion Dollars for Airline Payroll Support.... I will sign now!" he wrote, saying Congress could tap unused funds from prior coronavirus relief to fund airlines and a separate program for small business. (Reuters)
- **UK sees 66% chance of Brexit trade deal but tells EU to hurry up –** Britain said there was a 66% chance of a Brexit trade deal but sought to use Prime Minister Boris Johnson's deadline of Oct. 15 to hurry the bloc's negotiators towards an agreement. The two sides say they are inching towards a deal that would govern around $900bn in trade after Dec. 31 - when the current transitional arrangements end - though sticking points remain on fishing, level playing field issues and governance. "The landing zone and the nature of the agreement is pretty clear if not exactly pinned down yet," David Frost, the UK's Chief Brexit negotiator, told parliament. "A deal is eminently achievable and could be achieved but equally it is possible that we won't get there." When Johnson's Brexit supremo, Michael Gove, was asked by a Conservative lawmaker if the probability of a deal was still 66%, Gove said: "I think that's about right." Frost cautioned the EU that an October 15 deadline set by Johnson on September 7 remained a deadline. The EU is due to assess progress on a deal at an October 15-16 summit. He added that Britain's "door would never be closed" and that a huge amount of textual work would need to follow October 15 if an outline deal was struck. (Reuters)
- **UK sees 'landing zone' for Brexit trade deal but tells EU to hurry up –** Britain's Chief Brexit negotiator said on Wednesday he saw a landing zone for a trade deal with the European Union but sought to use Prime Minister Boris Johnson's deadline of October 15 to hurry the bloc's negotiators towards an agreement. The two sides say they are inching towards a deal that would govern around $900bn (£697bn) in trade after December 31 - when the current transitional arrangements end - though sticking points remain on fishing, level playing field issues and governance. "The landing zone and the nature of the agreement is pretty clear if not exactly pinned down yet," David Frost, the UK's chief Brexit negotiator, told a House of Lords committee. But Frost cautioned the EU that an October 15 deadline set by Johnson on September 7 remained a deadline. The EU is due to assess progress on a deal at an October 15-16 summit. Frost added that Britain's "door would never be closed" and that a huge amount of textual work would need to follow October 15 if an outline deal was struck. (Reuters)
- **UK says some Brexit progress has been made but differences remain –** British Prime Minister Boris Johnson and European Council President Charles Michel agreed that some progress had been made in Brexit trade talks though significant differences remained. "Although some progress had been made in recent discussions, they acknowledged that significant areas of difference remain, particularly on fisheries," a Downing Street spokesman said. "Chief Negotiators should continue to work intensively in the coming days to try to bridge the gaps. He added: "The Prime Minister outlined our clear commitment to trying to reach an agreement, underlining that a deal was better for both sides. He also underlined that, nevertheless, the UK was prepared to end the transition period on Australia-style terms if an agreement could not be found." (Reuters)

- **CBI: UK financial services firms turn cautiously optimistic –** Financial services firms in Britain turned more optimistic for the first time this year as a drop in business bottomed out, but big uncertainties remained about COVID-19 and a post-Brexit trade deal, according to a survey published on Thursday. A drop in profits for banks, finance companies and building societies was partly offset by growth in earnings from insurance and investment management, the quarterly survey by the Confederation of British Industry showed. "While it is reassuring to see business volumes begin to stabilize in a sector so vital for the UK's recovery, financial services isn't out of the woods just yet," Rain Newton-Smith, the CBI's Chief economist, said. Staff numbers fell less severely than in the previous three-month period and the decline was expected to slow again. Investment excluding technology was likely to fall in the year ahead, weighed down by the deepest demand uncertainty in eight years caused by COVID-19 and unresolved trade talks between Britain and the European Union. Non-performing loans grew but at a slower pace than earlier in 2020. The survey was conducted between September 1 and September 19 and 133 firms replied. (Reuters)
- **Britain examining how to reduce travel quarantine period using tests –** Britain is urgently looking at ways to reduce the 14-day quarantine period which applies to some arriving passengers, transport minister Grant Shapps said on Wednesday, adding that a mix of COVID-19 testing and self-isolation was promising. Arrivals from countries like France, Spain and the United States must self-isolate for 14 days on arrival in Britain, a restriction which airlines say is crushing travel demand. Shapps said he was setting up a Global Travel Taskforce to open up international travel. "The overall aim of the Taskforce will be to consider what steps the government can take... to enable the safe and sustainable recovery of international travel," he added in a statement. It would report back no later than early November. In July, Britain changed its policy from a blanket quarantine to one which established "travel corridors" to countries with low infection rates. But with cases on the rise in several places, the list of countries on the quarantine exemption list is dwindling, and the travel industry has warned it faces an existential crisis unless the policy is changed again. (Reuters)
- **Halifax: UK house prices rise at fastest annual pace since 2016 –** British house prices rose last month at the fastest annual pace since June 2016 in the latest sign of a post-coronavirus lockdown surge in the housing market, data from mortgage lender Halifax showed on Wednesday. House prices were 7.3% higher than in September last year, accelerating from annual growth of 5.2% in August. "Context is important with the annual comparison, however, as September 2019 saw political uncertainty weigh on the market," said Russell Galley, managing director at Halifax. September last year saw an escalation of Brexit tensions, marked by a series of knife-edge votes in parliament and an attempt by Prime Minister Boris Johnson to suspend parliament. House prices rose 1.6% between August and September, Halifax said. Other indicators of the housing market have also pointed to a surge in activity in recent months, spurred by the release of pent-up demand following the coronavirus lockdown and a cut to property sales taxes. "Behavioural shifts may also be boosting activity, as people reassess their housing needs and preferences as a result of life in lockdown," said Howard Archer, chief economist adviser to the EY ITEM Club consultancy. Separate official data on Wednesday showed average house prices struck a new record high of 238,000 pounds in July, up 2.3% in annual terms. Most analysts are skeptical about a lasting upswing. (Reuters)
- **RICS: UK house prices jump as buyers seek gardens after lockdown –** The post-lockdown surge in Britain's housing market intensified in August, and prices hit a four-year high, as buyers sought properties with gardens, according to a survey that also sent a warning signal that the recovery could run out of steam. The monthly gauge of house prices from the Royal Institution of Chartered Surveyors (RICS) shot up to +44 in August from +13 in July, hitting its level since February 2016. A Reuters poll of economists had pointed to a reading of +25. Prices rose across the country except for London where they have remained more or less flat over the past two months. The survey chimed with other signs that a mini-boom is underway in the housing market - one of the few parts of the economy to have bounced back from the pandemic - helped in part by an emergency tax cut for buyers. Demand accelerated sharply, helped by a shift towards properties with gardens after the COVID-19 lockdown, RICS said. Some 83% said they expected to see higher demand for properties with gardens and most predicted reduced demand for homes in highly urban areas or tower blocks. (Reuters)
- **REC: UK labor market shows signs of life but challenges lie ahead –** Britain's labor market perked up in September after a torrid few months but the outlook is worrying as the COVID-19 pandemic intensifies again and the government prepares to close its job subsidy scheme, a survey showed on Thursday. Employers hired permanent staff at the fastest rate in nearly two years and temporary hiring also grew, the Recruitment and Employment Confederation (REC) and accountants KPMG said. "While it's encouraging to see a further recovery in hiring activity ..., it's concerning to see another rapid rise in total candidate availability," said James Stewart, vice chair at KPMG. The number of coronavirus cases is rising quickly in Britain, as it is in other countries. A government support program that paid up to 80% of the wages of temporarily laid-off employees ends this month and will be replaced by a less generous scheme that will require companies to shoulder much more of the bill. (Reuters)
- **Dip in German industrial output casts doubt on strength of recovery –** German industrial output edged down in August following three months of relatively strong increases, suggesting the recovery in Europe's largest economy from the coronavirus shock is starting to lose steam. Industrial output fell by 0.2% on the month after an upwardly revised rise of 1.4% in July and a jump of 9.3% in June, figures released by the Federal Statistics Office on Wednesday showed. A Reuters poll had forecast an increase of 1.5% for August. Factories churned out fewer capital goods and consumer goods, with the slump particularly deep in vehicle production. "At least a part of the fall in car output was due to more companies implementing their summer shutdowns in August this year," Andrew Kenningham from Capital Economics said. This one-off effect coupled with rising orders and upbeat sentiment surveys could suggest that industrial output will rise again in coming months, albeit at a probably slower pace. The economy ministry said industrial

output now stood at almost 90% of pre-crisis levels in the fourth quarter of 2019. (Reuters)

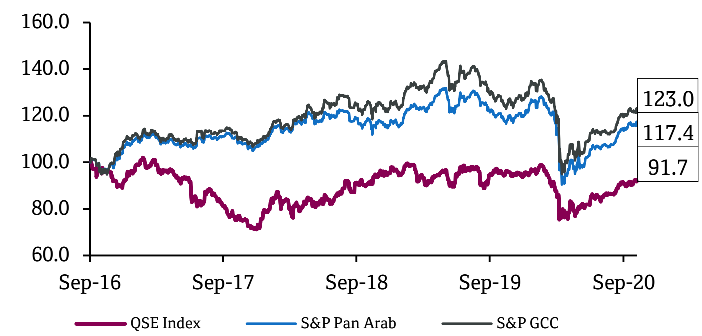
- **German hotels to turn away visitors from coronavirus risk areas –** Germany's states agreed on Wednesday that residents of domestic coronavirus risk areas should not be allowed to stay in hotels in other parts of the country to curb surging numbers of new infections, a government document showed. The news, which means residents of Berlin will only be able to take domestic holidays if they have a new negative coronavirus test, comes just days before about half of Germany's federal states start two weeks of school holidays. Coronavirus infections have climbed steadily in Germany over the last two months. The capital Berlin announced a late-night curfew on restaurants and bars on Tuesday. "The Federal and State governments call on all citizens to avoid all non-essential travel into or out of regions where there have been 50 new infections per 100,000 inhabitants over the past seven days," ministers said in a joint statement. Four out of 12 Berlin districts have already reached or exceeded that level, meaning they are classified as risk areas. Berlin added in a protocol that the measures would apply to the entire city. (Reuters)
- **Japan budget requests hit record of $997bn, fueled by pandemic spending –** Japan's ministries have asked for a record $997bn in initial budget for the next fiscal year, the finance ministry said, as Prime Minister Yoshihide Suga's new government juggles the need to rein in the pandemic and revive the economy. The general account spending requests for the fiscal year that begins next April totaled 105.4071tn Yen ($996.85bn), exceeding the previous high of 105tn sought for the current year. The amount got a boost from demand related to urgent steps to contain the virus spread and ease the pain from the economic fallout, which triggered the deepest recession on record. "We remain committed to achieving both economic revival and fiscal reform, and we'll overcome the coronavirus crisis to pass the future on to the next generation," Wataru Ito, state minister of finance, told reporters on Wednesday. The first budget under Suga underscored a struggle for the heavily indebted government to curb snowballing debt that tops twice the size of Japan's $5tn economy. Many submitted requests did not specify the amount of spending, leaving room to swell the overall figure as the finance ministry reviews the requests and finalizes the amount of spending in late December. (Reuters)
- **Indicator suggests Japan's economy stopped contracting in August –** Japan's government upgraded its assessment of the economy on Wednesday for the first time since May 2019 after a key indicator improved for August, pointing to a gradual recovery from the impact of the coronavirus pandemic. The index of coincident economic indicators, which measures a range of data including factory output, employment and retail sales numbers, rose a preliminary 1.1 points from the previous month to 79.4 in August, the Cabinet Office said on Wednesday. Based on the index data, the Cabinet Office said that showed economic activity in the world's third-largest economy had stopped contracting, an upgrade from its previous view that the economy was "worsening" in July. The data offers some relief for new Prime Minister Yoshihide Suga, who has pledged to contain the coronavirus outbreak and revive Japan's battered economy. The report follows the release last month of more upbeat economic outlook from the Bank of Japan, suggesting that no immediate expansion of stimulus was needed to combat the coronavirus pandemic. (Reuters)
- **China September FX reserves fell unexpectedly as pandemic pressured global economy –** China's foreign currency reserves unexpectedly fell in September, official data showed on Wednesday, as the global economy was pressured by the coronavirus pandemic. The country's foreign exchange reserves, the largest in the world, stood at $3.143tn, compared with $3.169tn tipped by a Reuters poll of analysts and $3.165tn in August. The US dollar index rose by nearly 2% in September, marking the first gain in five months, in part because a resurgence in COVID-19 cases in major economies weighed on investors' risk appetite. The Chinese yuan posted its strongest quarter in July-September since the 2008 global financial crisis, gaining around 3.7% on the dollar as latest data underscored a continued recovery for the world's No. 2 economy. Foreign inflows into Chinese stocks and bonds have also been strong, limiting capital outflows. China held 62.64mn fine troy ounces of gold at the end of September, unchanged from August The value of the gold reserves fell to $118.20bn at the end of September from $122.62bn at end-August. (Reuters)
- **Indian banks say government interest waiver will add to costs, spark litigation –** Indian bankers fear the government's decision to waive some interest payments on loans under a COVID-19 support plan will create unnecessary work for lenders and lead to more litigation, without providing much of a boost for the sagging economy. In an October 2 filing with the Supreme Court, seen by Reuters, the government said it is amending a controversial clause in a relief plan that allowed distressed borrowers to skip repayments for six months but then charged them "interest-on-interest" on the delayed payments, putting them deeper in debt. The change will waive the compounded interest component on small business loans and some personal debts from March to August. The government will bear the cost, which could be as high as $1bn, according to analysts. But for Indian lenders saddled with over $120bn of bad loans and a coronavirus-induced collapse in demand, the move will further pressure already stressed balance sheets. In the case of a similar scheme for farm loans, banks typically need to wait nine to 24 months to get the funds from the government, two bankers said. Lenders also will need to recalculate millions of loans, according to interviews with four bankers and a lawyer. "Getting the money back from the government is a painful exercise," said a senior banker at one of India's shadow banks. "At the end, a lot of work will happen, nobody will be happier and the government will be poorer." A finance ministry spokesman declined to comment, citing ongoing legal proceedings. Banks' legal costs are also on the rise as lawsuits pile up. (Reuters)

Regional

- **Saudi PIF in talks to buy stake in UAE supermarket chain Lulu –** Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), is in early discussions to buy a stake in supermarket chain Lulu Group International, sources told Reuters. It is in talks with Indian-born businessman Yusuff Ali, who founded Abu Dhabi-based Lulu, one of the largest chains in the Gulf region, the sources said. Discussions between PIF and Lulu began four to six weeks ago, one of the sources said. It was not immediately clear how big a stake PIF is seeking to buy as discussions are at an early stage, or whether the talks would lead to a final transaction. Lulu operates shopping centers, hypermarkets and other businesses with an annual turnover of $7.4bn, according to its website. It has operations in Saudi Arabia and other Gulf states as well as in Egypt, India, Indonesia and Malaysia. PIF, which manages $360bn in assets, declined to comment. Lulu's Director of marketing & communications, V. Nandakumar, said in an emailed response that "as a policy we never comment on market speculations and media rumours." Abu Dhabi state-owned holding company ADQ invested $1bn in Lulu earlier this year, sources familiar with the talks said. (Reuters)

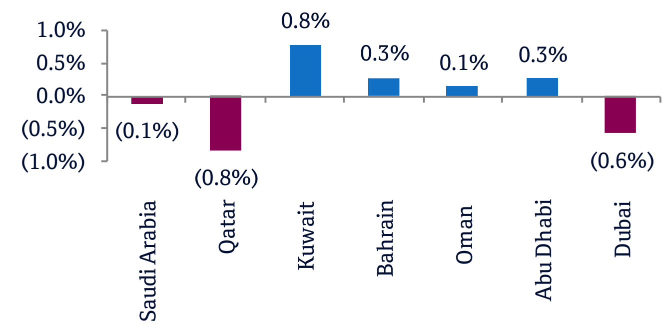
- **Saudi Arabia's BinDawood Holding prices IPO at SR96 a share –** Saudi Arabian supermarket retailer BinDawood Holding has priced its initial public offering at SR96 a share, the company said. The retailer, which owns the Danube and BinDawood supermarket brands, said the book-building process generated an order book of SR106.9bn. Subscriptions came from public funds, private funds and discretionary portfolios, non-Saudi investors and other investors, which include government institutions, private companies and financial institutions, it said. "I am very pleased with the exceptionally strong demand we have witnessed for BinDawood Holding shares by institutional investors," CEO, Ahmad Abdulrazzaq BinDawood said. At SR96 per share, BinDawood's market capitalization at listing is seen at SR10.97bn, the statement said. Retail investors will be able to subscribe to shares on October 8-12 at the final offer price, with the allotment due on October 15. (Reuters)
- **MedGulf board proposes capital cut, increase –** The board of the Mediterranean and Gulf Insurance and Reinsurance Company (MedGulf) recommended reducing the company's capital by 12.5% then increasing it via a rights issue. The current capital amounts to SR800mn and is set to be cut to SR700mn through the cancellation of 10mn shares, according to a bourse statement on Tuesday. The capital cut aims to restructure the capital to offset accumulated losses. The transaction will be carried out at the end of the second trading day following the extraordinary general meeting (EGM) that will approve the reduction. Meanwhile, the board suggested increasing the company's capital by SR350mn to enhance the solvency margin and support its expansions operations. (Zawya)
- **Commercial Bank of Dubai said to plan bond after five-year break –** Commercial Bank of Dubai (CBD) is looking to follow the Emirate's government in returning to global debt markets with a plan to sell dollar-denominated bonds after a hiatus of almost five years, according to sources. The lender, which is 20% owned by the Dubai government, is seeking to sell benchmark-size five-year securities, sources said. Benchmark typically means the equivalent of at least $500mn. The talks may not result in a deal and the timeline would depend on market conditions, they said. At its annual general meeting in March, the bank approved the issuance of up to $750bn in additional Tier 1 bonds, the riskiest debt instruments banks can offer because they have optional interest payments and no set maturity. (Bloomberg)
- **Union Properties raises capital of three units to AED490mn –** Union Properties has increased the capital of three of its subsidiaries to reach a combined amount of AED490mn, according to a press release on Wednesday. The subsidiaries comprise Dubai Autodrome, ServeU, and The FitOut. This decision came following the company's announcement of its plan to convert a number of its subsidiaries into private joint-stock companies and list their shares on the financial market. With this conversion, the company seeks to reveal its assets and subsidiaries, namely that these companies operate in vital areas and capable of attracting investments or cash flows whether through listing, acquisition, or sales of shares. It is noteworthy to mention that in September, the company has received an offer worth AED400mn for buying a 40% stake in its subsidiary Dubai Autodrome, which includes a number of world-class racing circuits. (Zawya)
- **Tabreed shareholders approve $1bn bond or Sukuk issuance –** Shareholders of Tabreed have approved a bond or Sukuk issuance worth up to $1bn after a vote during its general assembly meeting. The company, also known as The National Central Cooling Company, voted unanimously following a special resolution to offer bonds and/or Sukuk in one or more tranches to fund acquisitions as well as for general corporate purposes. The bonds or Sukuk will have a value of up to $1bn, issued, for up to 30 years at prevailing market rate, and will be available to qualified investors. The public joint stock company said the proceeds will be used to fund acquisitions and/or general corporate purposes. (Zawya)
- **Abu Dhabi sets November Murban oil price at discount of $0.35/bbl to Dubai crude –** Abu Dhabi National Oil Co. has set the official selling price of its flagship Murban crude at a $0.35/bbl discount to the Dubai benchmark for November sales, according to a price sheet seen by Bloomberg. The price is up from $0.50/bbl discount set for October. The November Umm Lulu is set at parity to Murban price. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,887.42	0.5	(0.7)	24.4
Silver/Ounce	23.80	3.2	0.3	33.3
Crude Oil (Brent)/Barrel (FM Future)	41.99	(1.5)	6.9	(36.4)
Crude Oil (WTI)/Barrel (FM Future)	39.95	(1.8)	7.8	(34.6)
Natural Gas (Henry Hub)/MMBtu	2.01	8.1	43.6	(3.8)
LPG Propane (Arab Gulf)/Ton	51.13	(0.7)	5.1	23.9
LPG Butane (Arab Gulf)/Ton	59.50	0.4	8.2	(9.2)
Euro	1.18	0.2	0.4	4.9
Yen	105.98	0.3	0.7	(2.4)
GBP	1.29	0.3	(0.1)	(2.5)
CHF	1.09	0.1	0.4	5.5
AUD	0.71	0.5	(0.3)	1.7
USD Index	93.63	(0.1)	(0.2)	(2.9)
RUB	78.03	(0.5)	(0.2)	25.9
BRL	0.18	(0.3)	1.3	(28.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,409.40	1.1	2.0	2.2
DJ Industrial	28,303.46	1.9	2.2	(0.8)
S&P 500	3,419.45	1.7	2.1	5.8
NASDAQ 100	11,364.60	1.9	2.6	26.7
STOXX 600	365.45	(0.2)	1.2	(7.9)
DAX	12,928.57	0.1	2.4	2.5
FTSE 100	5,946.25	(0.3)	0.7	(23.2)
CAC 40	4,882.00	(0.4)	1.7	(14.4)
Nikkei	23,422.82	(0.4)	1.1	1.7
MSCI EM	1,107.90	0.5	2.4	(0.6)
SHANGHAI SE Composite	3,218.05	-	-	8.2
HANG SENG	24,242.86	1.1	3.3	(13.6)
BSE SENSEX	39,878.95	0.9	2.9	(6.1)
Bovespa	95,526.30	(1.0)	2.8	(40.7)
RTS	1,143.95	(2.1)	(0.4)	(26.1)

Source: Bloomberg (*$ adjusted returns)

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