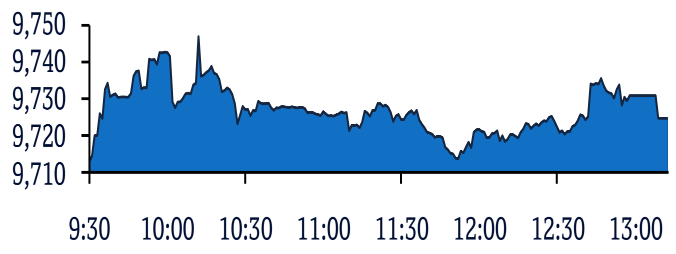
Daily Market Report

Tuesday, 08 September 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose marginally to close at 9,725.3. Gains were led by the Transportation and Industrials indices, gaining 0.8% and 0.5%, respectively. Top gainers were Qatari Investors Group and Mannai Corporation, rising 5.9% and 3.3%, respectively. Among the top losers, INMA Holding fell 3.4%, while Qatar Industrial Manufacturing Company was down 2.8%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.3% to close at 8,050.1. Gains were led by the Software & Services and Real Estate Mgmt & Dev't indices, rising 2.9% and 2.8% respectively. Al Kathiri Holding Company and Saudi Fisheries were up 9.9% each.

Dubai: The DFM Index gained 0.6% to close at 2,271.3. The Transportation index rose 1.8%, while the Banks index gained 0.8%. Ithmaar Holding rose 15.0%, while Aan Digital Services Holding Co. was up 6.0%.

Abu Dhabi: The ADX General Index fell 0.3% to close at 4,508.0. The Energy index declined 0.8%, while the Telecommunication index fell 0.5%. Gulf Cement Company declined 4.3%, while Abu Dhabi Ship Building Company was down 3.9%.

Kuwait: The Kuwait All Share Index gained marginally to close at 5,294.7. The Oil & Gas index rose 0.6%, while the Financial Services index gained 0.5%. Aayan Leasing & Investment rose 9.5%, while Kuwait Portland Cement Co. was up 8.6%.

Oman: The MSM 30 Index fell marginally to close at 3,706.4. Losses were led by the Services and Industrial indices, falling 0.3% each. Al Jazeera Services Company and Al Maha Ceramics Company were down 2.9% each.

Bahrain: The BHB Index gained 0.1% to close at 1,404.8. The Services index rose 0.6%, while the Commercial Banks index gained 0.1%. Ithmaar Holding rose 9.1%, while Bahrain Telecommunication Company was up 1.1%.

Market Indicators	07 Sep 20	06 Sep 20	%Chg.
Value Traded (QR mn)	383.9	368.1	4.3
Exch. Market Cap. (QR mn)	568,720.0	567,969.2	0.1
Volume (mn)	225.2	221.9	1.5
Number of Transactions	9,899	8,612	14.9
Companies Traded	46	47	(2.1)
Market Breadth	21:19	38:7	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,696.54	0.0	(1.1)	(2.5)	15.8
All Share Index	3,011.86	0.0	(1.1)	(2.8)	16.6
Banks	4,054.83	(0.2)	(1.1)	(3.9)	13.6
Industrials	2,964.23	0.5	(1.1)	1.1	25.8
Transportation	2,790.07	0.8	(0.7)	9.2	13.2
Real Estate	1,715.84	0.4	(0.7)	9.6	14.0
Insurance	2,109.73	(0.4)	(0.4)	(22.9)	32.8
Telecoms	889.69	0.2	(0.6)	(0.6)	15.0
Consumer	7,923.76	(0.9)	(2.1)	(8.4)	24.9
Al Rayan Islamic Index	4,024.40	(0.0)	(1.3)	1.9	18.8

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Jabal Omar Dev. Co.	Saudi Arabia	33.50	5.3	12,355.6	23.4
Ahli United Bank	Kuwait	0.27	2.3	1,033.0	(17.1)
Dar Al Arkan Real Estate	Saudi Arabia	8.58	1.5	32,397.8	(22.0)
Qatar Gas Transport Co.	Qatar	2.66	1.5	7,715.5	11.3
Etihad Etisalat Co.	Saudi Arabia	27.50	1.5	4,063.6	10.0

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Qatar Fuel Company	Qatar	17.48	(1.3)	442.7	(23.7)
Ooredoo Oman	Oman	0.39	(1.0)	162.0	(25.2)
Bupa Arabia for Coop. Ins.	Saudi Arabia	123.00	(0.8)	119.6	20.1
Arabian Centres Co Ltd	Saudi Arabia	26.60	(0.7)	1,542.1	(8.7)
Samba Financial Group	Saudi Arabia	27.15	(0.7)	879.2	(16.3)

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%
Qatari Investors Group	2.13	5.9	3,049.2	19.1
Mannai Corporation	3.05	3.3	170.4	(1.0)
Mazaya Qatar Real Estate Dev.	1.20	2.9	19,944.6	67.0
Qatari German Co for Med. Devices	2.65	2.7	9,733.5	355.3
Ahli Bank	3.36	1.8	25.1	0.8

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.61	(2.4)	57,240.8	8.2
Qatar Aluminium Manufacturing	1.00	0.6	21,279.0	28.2
Mazaya Qatar Real Estate Dev.	1.20	2.9	19,944.6	67.0
Ezdan Holding Group	1.58	1.0	17,283.7	156.3
Salam International Inv. Ltd.	0.61	(2.4)	15,661.9	18.4

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
INMA Holding	4.65	(3.4)	2,361.8	144.7
Qatar Industrial Manufacturing	3.01	(2.8)	15.8	(15.6)
Investment Holding Group	0.61	(2.4)	57,240.8	8.2
Salam International Inv. Ltd.	0.61	(2.4)	15,661.9	18.4
Qatar Fuel Company	17.48	(1.3)	442.7	(23.7)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Investment Holding Group	0.61	(2.4)	35,235.4	8.2
QNB Group	17.80	(0.2)	33,077.4	(13.6)
Ezdan Holding Group	1.58	1.0	27,252.1	156.3
Qatari German Co for Med. Dev.	2.65	2.7	25,646.5	355.3
Mazaya Qatar Real Estate Dev.	1.20	2.9	23,798.5	67.0

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*	9,725.28	0.0	(1.1)	(1.2)	(6.7)	104.10	154,236.9	15.8	1.5	4.1
Dubai	2,271.29	0.6	(0.5)	1.2	(17.9)	52.96	85,754.1	8.6	0.8	4.7
Abu Dhabi	4,507.95	(0.3)	(1.0)	(0.3)	(11.2)	90.84	183,817.6	16.5	1.3	5.4
Saudi Arabia	8,050.14	0.3	0.1	1.4	(4.0)	2,938.29	2,410,816.0	29.4	2.0	2.6
Kuwait	5,294.71	0.0	(0.6)	0.0	(15.7)	114.56	100,060.3	28.5	1.3	3.7
Oman	3,706.36	(0.0)	(1.1)	(1.7)	(6.9)	1.22	16,730.3	11.0	0.7	6.6
Bahrain	1,404.83	0.1	(0.4)	1.7	(12.8)	6.06	21,369.8	13.1	0.9	4.9

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 marginally to close at 9,725.3. The Transportation and Industrials indices led the gains. The index rose on the back of buying support from Qatari and Arab shareholders despite selling pressure from GCC and Foreign shareholders.
- Qatari Investors Group and Mannai Corporation were the top gainers, rising 5.9% and 3.3%, respectively. Among the top losers, INMA Holding fell 3.4%, while Qatar Industrial Manufacturing Company was down 2.8%.
- Volume of shares traded on Monday rose by 1.5% to 225.2mn from 221.9mn on Sunday. However, as compared to the 30-day moving average of 303.6mn, volume for the day was 25.8% lower. Investment Holding Group and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 25.4% and 9.4% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	53.44%	49.64%	14,600,491.7
Qatari Institutions	15.78%	15.46%	1,227,632.4
Qatari	**69.22%**	**65.09%**	**15,828,124.1**
GCC Individuals	0.60%	0.89%	(1,109,359.8)
GCC Institutions	0.64%	2.20%	(5,979,356.9)
GCC	**1.24%**	**3.09%**	**(7,088,716.7)**
Arab Individuals	13.09%	12.65%	1,689,829.7
Arab Institutions	–	0.01%	(27,744.0)
Arab	**13.09%**	**12.66%**	**1,662,085.8**
Foreigners Individuals	4.38%	2.57%	6,955,872.2
Foreigners Institutions	12.08%	16.60%	(17,357,365.3)
Foreigners	**16.45%**	**19.16%**	**(10,401,493.1)**

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
09/07	EU	Sentix Behavioral Indices	Sentix Investor Confidence	Sep	-8.0	-10.5	-13.4
09/07	Germany	Deutsche Bundesbank	Industrial Production SA MoM	Jul	1.2%	4.5%	9.3%
09/07	Germany	Bundesministerium fur Wirtscha	Industrial Production WDA YoY	Jul	-10.0%	-7.4%	-11.4%

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

Qatar

- **QNBFS wins two awards from International Finance magazine –** QNB Financial Services (QNBFS), a fully owned subsidiary company of QNB Group, has received the "Best Brokerage House in Qatar" and "Most Innovative Mobile Trading Application in Qatar" awards from International Finance, a London-based global financial publication. The Best Brokerage House award recognition reflects the strength of the QNBFS brokerage products and services and the quality of its offering, as well as its commitment to providing investment opportunities and solutions across diverse products and markets. QNBFS has unmatched trading and execution capabilities and highly experienced investment professionals. It provides on-the-ground research and analyses, thus helping customers make sound investment decisions. The company launched QNBFS Trading Mobile Application for better client trading experience using the latest technology. The app comes with numerous other features, allowing clients to trade anytime and anywhere, which entitled it to receive the Most Innovative Mobile Trading Application in Qatar. International Finance awards recognize industry talent, leadership skills, industry net worth and capability on an international platform. After careful consideration of nominations by a qualified research team, winners are declared on the strength of their application and accomplishments. Established in the last quarter of 2010 as part of QNB Group, QNBFS is the first independently regulated, licensed brokerage company launched by a bank in Qatar. It offers a range of financial services to domestic and foreign institutional investors, mutual funds, and retail and corporate clients. (Press Release)
- **CBQK hires banks for five-year US dollar bonds –** The Commercial Bank (CBQK) has hired banks to arrange a potential issuance of five-year US dollar-denominated bonds. It hired ANZ, BofA Securities, Citi, Mizuho, Morgan Stanley, QNB Capital and Standard Chartered to arrange investor calls from Monday, to be followed by an issuance subject to market conditions, the document from one bank arranging the deal showed. A benchmark five-year fixed rate US dollar-denominated senior unsecured Regulation S bond (in registered form) transaction under CBQK's $5bn Euro Medium Term Note Program will follow, subject to market conditions. (Zawya, Bloomberg)
- **MRDS changes its name to Mazaya Real Estate Development Company** – With reference to the decision of the Extra ordinary General Assembly of Mazaya Qatar Real Estate Development Company (MRDS), in which it was approved to change the name of Mazaya Qatar Real Estate Development Company to Mazaya Real Estate Development Company. All the required legal procedures have been completed, and the new name in English becomes "Mazaya Real Estate Development Company" and the short name "Mazaya". (QSE)
- **ValuStrat: Hospitality, realty sectors show resilience in first half of 2020 –** Qatar's hospitality and real estate sectors have added new projects in the first six months of the current year, demonstrating resilience despite exceptional situation created by COVID-19 pandemic. Between January to June, hotels and hotel apartments added close to 1,000 rooms while, the real estate sector saw completion of around 3,000 residential apartments and villas, according to a report by real estate consultancy firm ValuStrat. ValuStrat Qatar's General Manager, Pawel Banach said, "As per ValuStrat research, 988 keys were added during the first half of 2020 with the opening of Pullman Hotel in West Bay, Imperium Residences in Najma, Dusit D2 Salwa Doha in Muraikh and Al Liwan Suites in Rawdat Al Khail and Diyafa Hotel Suites in Al Sadd." In the residential real estate sector, the total residential supply totaled 300,550 units, at the end of the first of half of 2020. "The first six months of 2020 saw the completion of 2,250 apartments and 700 villas scheduled to be handed over this year," Banach added. Proactive government policies have played a crucial role in helping Qatar's hospitality and real estate market. In addition to implementing efficient health strategies, the government had announced an economic stimulus package of QR75bn to support and provide relief to those impacted the most by the effects of coronavirus pandemic. Companies have gone ahead with their projects in spite of difficulties that emerged due to coronavirus pandemic outbreak. The number of residential units expected to be added in the second half of this year is likely to exceed the total number of units delivered in the first half of 2020. The half yearly report by ValuStrat expects that approximately, 7,250 units are projected to be added during the remaining quarters of 2020. (Peninsula Qatar)
- **Ezdan: Qatar's real estate transactions reach QR11.4bn during 1H2020 –** Qatar's real estate market has weathered the fallout from the COVID-19 pandemic, as the country witnessed a significant pick up during the first half of the year, with property sales reaching QR11.4bn during the first six months of the year, an increase of over QR500mn compared to the QR10.8bn recorded during the same period last year (1H2019), according to Ezdan Real Estate (Ezdan) report. The report added that the total value of transactions during the first seven months of 2020 reached QR14.2bn, citing statistics from the Real Estate Registration Department. Amid towering challenges, the market has reeled off since the beginning of this year coupled with the outbreak of the COVID-19 and the lockdown restrictions, which hit adversely large sectors. The real estate price index continued to rally as the second half of this year started, where the value of property sale transactions gained around QR2.8bn during July 2020. The price index is expected to inch up steadily as lockdown restrictions ease. The monthly data released by the Planning and Statistics Authority (PSA) reflected a 153% surge in the number of properties sold during the month, compared to the same period during the previous year, or 644 properties sold compared to 254 properties during the same period in 2019, with the number of properties sold soaring by 41.2% on a monthly basis. In order to facilitate construction and obtaining building permits, which will ultimately cause a rebound in the real estate market, the cabinet discussed during the last period a report on building permits and the mechanism of issuing them. Eventually, the

cabinet approved the proposed solutions to redress the damages and overcome these difficulties and gave permission to bring them into force within a period not exceeding six months, in a manner that ensures easy issuance of building permits and facilitating their procedures. (Peninsula Qatar)

- **Mastercard, QDB partner to accelerate innovation among Qatar fintech community –** Mastercard has partnered with Qatar Development Bank (QDB) to support the development of the fintech industry through the Qatar Fintech Hub (QFTH) – a tech ecosystem that supports the growth of local and international Fintech companies in Qatar. Mastercard noted that it would work closely with the fintech community in Qatar through the QFTH to accelerate innovation and drive the adoption of digital payments in the country. The QFTH brings together a vibrant community of fintech entrepreneurs, industry experts, regulators, and investors to develop disruptive technologies and accelerate the growth of the fintech ecosystem. Through this partnership, QTFH start-ups and partners will also gain access to Mastercard's technology, expertise, products, and services, equipping them with the tools they need to navigate their growth. The partnership will also identify relevant companies for Mastercard's start-up engagement program, Start Path, opening market access for QFTH's start-ups and Start Path companies – for mutual benefit. (Gulf-Times.com)

International

- **Trump again raises idea of decoupling economy from China –** With the US election approaching, President Donald Trump on Monday again raised the idea of separating the US and Chinese economies, also known as decoupling, suggesting the US would not lose money if the world's two biggest economies no longer did business. "So when you mention the word decouple, it's an interesting word," Trump told a Labor Day news conference at the White House in which he vowed to bring jobs back to America from China. "We lose billions of dollars and if we didn't do business with them we wouldn't lose billions of dollars. It's called decoupling, so you'll start thinking about it," Trump said. Trump, who long touted friendly ties with Chinese President Xi Jinping as he sought to make good on promises to rebalance a massive trade deficit, has made getting tough on China a key part of his campaign for re-election on November 3. He has accused his Democratic opponent, Joe Biden, who leads in most opinion polls, of being soft toward Beijing. "If Biden wins, China wins, because China will own this country," he said. Biden for his part has criticized Trump's Phase 1 trade deal with China, saying it is "unenforceable," and "full of vague, weak, and recycled commitments from Beijing." Trump vowed that in future his administration would prohibit federal contracts with companies that outsource to China and hold Beijing accountable for allowing the coronavirus, which began in China, to spread around the world. (Reuters)
- **UK Ramps up no deal preparations as EU trade talks Stall –** Britain will tell the European Union (EU) on Tuesday that progress must be made in trade talks this week or the government will step up preparations to leave the bloc without a deal as the time ticks down to an end-of-year deadline. The British government was embroiled in a new row with the EU on the eve of the latest round of negotiations after it was reported that ministers were to publish new legislation that could undercut elements of the Brexit Withdrawal Agreement it signed in January. Britain left the EU on January 31 but talks have so far made little headway on agreeing a new trade deal for when a status-quo transition arrangement ends in December. The latest round of negotiations in London already promised to be difficult because of entrenched disagreements about state-aid rules and fishing rights. (Reuters)
- **Germany's Scholz eyes more debt to support recovery from coronavirus –** The German economy is recovering from the coronavirus shock and will reach its pre-crisis size at the beginning of 2022 at the latest, Finance Minister Olaf Scholz told Reuters on Monday but he added more debt was needed to sustain the achieved progress. The COVID-19 pandemic plunged Europe's largest economy into its deepest recession on record in the first half of the year. Berlin unleashed an unprecedented array of rescue and stimulus measures, financed with record new borrowing of some 218bn Euros, to help companies and consumers get out of the crisis. "We see that the economic recovery is making headway. That's a good sign," Scholz said in the Reuters interview, adding that the economy could also be back to pre-crisis level before 2022 if the recovery was supported in the right way. Scholz said he was therefore planning to take on new debt to a large extent also next year to sustain the recovery. A source familiar with the matter told Reuters last week that Scholz is working on a budget for next year that would see Berlin take on net new debt of at least 80bn Euros to fund more measures in the fight against the coronavirus. (Reuters)
- **Ifo: German industry foresees slight rise in output in coming months –** German industrial firms which were battered by the coronavirus-induced economic downturn expect production to increase slightly in the coming months, a survey by the Ifo institute showed on Monday. "The industrial sector - the engine of Germany's economy - is gradually getting back on track," Klaus Wohlrabe, who runs surveys at Ifo, said. The Ifo indicator rose to 15.4 points in August from 14.3 points in July. For the first time in more than a year, engineering firms expect to expand production while carmakers still see output increasing but were not as optimistic as in the previous month. The Federal Statistics Office is due to publish industrial output data for July at 0600 GMT, with economists polled by Reuters forecasting a 4.7% increase. Data published on Friday showed orders edging up in July. (Reuters)
- **Japan's economy sinks deeper into worst postwar contraction, intensifies challenge for new leader –** Japan's economy sank deeper into its worst postwar contraction in the second quarter as the coronavirus jolted businesses more than initially thought, underscoring the daunting task the new prime minister faces in averting a steeper recession. Other data put that challenge in perspective, with household spending and wages falling in July as the broadening impact of the pandemic kept consumption frail even after lock-down measures were lifted in May. The world's third-largest economy shrank an annualized 28.1% in April-June, more than a preliminary reading of a 27.8% contraction, revised GDP data showed on Tuesday, suffering its worst postwar contraction. The record drop roughly matched a median market forecast of a 28.6% contraction in a Reuters poll. The main culprit behind the revision was a 4.7% drop in capital expenditure, much biggest than a preliminary 1.5% fall,

suggesting the COVID-19 pandemic was hitting broader sectors of the economy. The data will put the new prime minister, to be elected in a ruling party leadership race on September 14, under pressure to take bolder economic support measures. Japanese household spending fell 7.6% in July from a year earlier, government data showed on Tuesday, compared with a median market forecast for a 3.7% decline. (Reuters)

- **China's exports rise the most in nearly 1-1/2 years as economies reopen; imports slip –** China's exports rose for the third consecutive month in August, eclipsing an extended fall in imports, as more of its trading partners relaxed coronavirus lockdowns in a further boost to the recovery in the world's second-biggest economy. Exports in August rose a solid 9.5% from a year earlier, customs data showed on Monday, marking the strongest gain since March 2019. The figure also beat analysts' expectations for 7.1% growth and compared with a 7.2% increase in July. Imports however slumped 2.1%, compared with market expectations for a 0.1% increase and extending a 1.4% fall in July. The strong exports suggest a faster and more balanced recovery for the Chinese economy, which is rebounding from a record first-quarter slump thanks largely to domestic stimulus measures. "China's exports continue to defy expectations and to grow significantly faster than global trade, thus gaining global market share," said Louis Kuijs of Oxford Economics. A private survey on manufacturing activity last week showed Chinese factories reported the first increase in new export orders this year in August as overseas demand slowly revives. The pick-up in business also led to a further expansion in production, marking the sharpest gain in almost a decade. China's export performance, boosted by record shipments of medical supplies and robust demand for electronic products, has not been as severely affected by the global slowdown as some analysts had feared. All the same, some analysts cautioned that the stronger exports reflected in part the base effects of the year-ago weakness. (Reuters)
- **China's August crude oil imports jump 13% on year as delayed cargoes clear customs –** China's crude oil imports in August climbed 13% from a year earlier, buoyed by hefty orders placed earlier this year when global oil prices collapsed and as cargoes previously delayed by congestion at arrival ports finally cleared customs. Imports were 47.48mn tons last month, data released by the General Administration of Customs showed on Monday, equivalent to 11.18mn barrels per day (bpd). That was well below the monthly record of 12.94mn bpd set in June this year, but easily beat last year's overall monthly average of 10.11mn bpd. China, the world's top crude oil importer, has been shipping in historically high volumes since May as bargain hunters snapped up cheap supply. Amid the jump in cargoes, oil storage tanks have filled up and major Chinese ports are still clogged, even though congestion has eased of late. According to data tracked by Refinitiv, 20 vessels were waiting to discharge oil at Qingdao port, while 18 were queuing near Rizhao port in the refining hub of Shandong province as of Monday. (Reuters)
- **India to maintain sugar export subsidies for third year in a row –** India is set to maintain sugar export subsidies for a third year in a row in a bid to reduce surplus stocks and ensure domestic prices do not fall below a government benchmark, three sources involved in policy making told Reuters. The subsidies are designed to boost exports from the world's second biggest sugar producer though increased shipments could put further pressure on global prices, which have already fallen more than 10% so far this year. India approved an export subsidy of 10,448 rupees ($142.20) per ton in the 2019/20 season which ends on September 30 in a move that helped sugar mills export a record 5.5mn tons. The official said the size of the subsidy for the 2020/21 marketing year starting in October would be finalized at a cabinet meeting after seeking views from the ministry of finance and the ministry of consumer affairs and food. (Reuters)

Regional

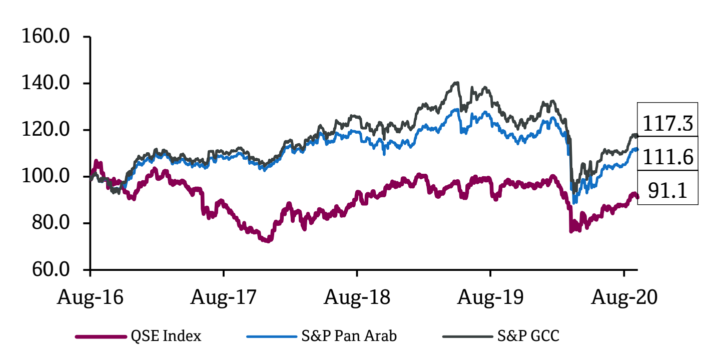
- **Russia's Novak says OPEC+ may discuss underperformers this month –** The OPEC and its allies may discuss this month countries which have lagged in reducing their oil output under a global oil cut deal, Russian Energy Minister, Alexander Novak was quoted as saying on Monday. Saudi Arabia, which chairs a Ministerial panel that monitors adherence with the oil cuts, has been heading efforts to press laggards such as Iraq, Kazakhstan, Nigeria and Angola to improve compliance with the reductions and compensate for their overproduction in July-September. Asked if the laggards have requested to extend the period for improving their compliance, RIA news agency quoted Novak as saying: "I have no information on that. We have a planned meeting of the JMMC on September 17. I think, we will discuss all those issues," he said. Last week, Iraq sent contradictory statements about its position on the deal to reduce oil production. It has said it remained fully committed to the OPEC+ oil supply cut agreement, denying an earlier media report that it was seeking an exemption from the reduction pact during the first quarter of 2021. (Reuters)
- **Moody's: GCC markets are opening to foreign capital, encouraging foreign equity ownership –** GCC markets are opening to foreign capital and encouraging foreign equity ownership Moody's Investor Service said and noted in 2019, Qatar's cabinet approved a law, which will increase the ceiling on foreign ownership to 100% from the current 49% in most sectors. Most GCC countries have made regulatory changes to attract foreign investors since 2014, when falling oil prices made economic diversification more urgent. As GCC markets open, local asset managers will likely capitalize on their expertise in the region to attract foreign clients, Moody's said in a report on Monday. In terms of regulatory standards in the GCC region, Moody's noted they "vary but are generally improving." Financial regulations are at different stages of development in each GCC country. However, they are evolving in such a way as to provide the transparency required to support capital markets and hence the asset management industry. More rigorous regulation is supportive of asset managers' asset collection and revenue growth, although it creates adjustment challenges for smaller players. The GCC's population is relatively small compared to Europe or the US, and its asset management sector is highly fragmented. Moreover, each country has a different set of rules, which makes "fund passporting" difficult or impossible. The sector would benefit from a standardized set of rules across the region, as well as market consolidation. While there has been some market consolidation in recent years, it has been slow to materialize. (Gulf-Times.com)

- **Foreign ownership on Tadawul increases to SR193.27bn in one week –** The value of foreign ownership on the Saudi Stock Exchange (Tadawul) on the main market increased to SR193.27bn during the week ended on September 3, 2020, compared to SR192.02bn in the previous week. Foreign ownership of issued shares dipped to 2.13% last week from 2.17% a week earlier, while ownership of free shares inched down to 12.53% from 12.59%, according to official data. This growth was boosted by higher share ownership value of qualified investors by SR1.34bn to SR139.55bn, representing 1.53% of issued shares. In the meantime, the value of shares owned by Saudi nationals surged by SR220.53mn to reach SR8.856tn, representing 97.42% of issued shares and 85.25% of free shares. The value of shares owned by GCC nationals soared by SR753.69mn to stand at SR41.64bn. Their ownership of issued shares remained unchanged at 0.46% while that of free shares fell to 2.22%. (Zawya)
- **Saudi Telecom said to be looking to reduce Vodafone Egypt offer –** Saudi Telecom Co. (STC) is in discussions to reduce its non-binding $2.39bn offer for a stake in Vodafone Egypt, sources said. The discussions come as a deadline nears for STC to move ahead with the non-binding offer first made in January. The Saudi company in July extended the memorandum of understanding for 60 days due to the impact of the coronavirus pandemic. The cash offer is for Vodafone's 55% stake in Vodafone Egypt, the remaining part of which is held by state-owned Telecom Egypt. STC had said that the offer gives the Egyptian business an enterprise value of $4.35bn. Egyptian market regulations would require Saudi Telecom to submit a mandatory tender offer for all of Vodafone Egypt, including the stake held by Telecom Egypt. (Bloomberg)
- **ACWA signs financing pact for $650mn Saudi water project –** ACWA Power has obtained financing to help develop a $650mn desalination project in Saudi Arabia. The transaction is funded through "limited recourse ring-fenced project financing" with Al Rajhi Bank, Abu Dhabi Islamic Bank, Riyad Bank and Mizuho Bank Ltd. as initial mandated lead arrangers, the utility said in a statement. Riyad Bank and Bank AlJazira also provided equity bridge loans earlier this month. Commercial operation of the seawater reverse osmosis desalination project, known as Jubail-3A, is scheduled toward the end of 2022. (Bloomberg)
- **UAE posts budget surplus of AED9.75bn in 2Q2020 –** The UAE's federal government posted a second-quarter budget surplus of around AED9.75bn, state news agency WAM said on Monday, up from a surplus of AED1.8bn in the first quarter. Revenues in the second quarter were at AED34.744bn and expenditures were at AED24.997bn, WAM said, citing a finance ministry report. (Reuters)
- **UAE's Cambridge Medical owner hires advisory deNovo for potential sale –** The private equity owner of Cambridge Medical and Rehabilitation Center (CMRC), a long-term care business in the UAE and Saudi Arabia, has hired corporate advisory firm deNovo for a potential sale of the company, sources said. TVM Capital Healthcare, a Dubai-based private equity business, is planning an exit of its investment in CMRC in a deal valued at between $200mn and $300mn, sources said. It made the investment in 2012. Cambridge is one of the few specialty players in this sector and has potential to expand as the need for long-term care for aging patients in the region grows, sources said. A document was circulated by deNovo, a Dubai boutique advisory, to potential buyers to gauge interest, one source said. A third source said CMRC had received strong interest from investors such as healthcare providers and other private equity players from the region and outside. (Reuters)
- **Emirates airline issued over AED5bn in coronavirus-related refunds –** Emirates airline has issued over AED5bn in refunds related to the new coronavirus crisis, it said on Monday. The Dubai-based carrier, which has processed more than 1.4mn refunds since March, has like other airlines faced a cash crunch. The pandemic brought global aviation to a halt this year, forcing Emirates to temporarily ground most of its fleet. It is now operating a limited number of flights on a reduced network that from June began to be gradually rebuilt. (Reuters)
- **Traders eye possible index inclusion of Aramex in MSCI and FTSE Russell benchmarks –** EFG Hermes estimates flows of as much as $30mn to the stock Aramex in the event of inclusion in the MSCI and FTSE Russell benchmarks, which is more likely after the scope for foreign investors to buy the stock increased. Foreign ownership in the stock fell to 30.9%, compared with a ceiling of 49%, last Thursday after Levant Logistics and Jaoana sold or transferred their shares to Alpha Oryx Fund, which now owns 22.25% of the company, Head of data and index research at EFG Hermes, Ahmed El Difrawy said. The transaction increased available room in the stock for foreign investors, boosting its prospects of inclusion in MSCI, FTSE indexes. Difrawy expects addition to MSCI's Small Cap index in November ($8mn), and to FTSE gauge in March 2021 ($22mn). (Bloomberg)
- **Network International sees no adverse impact from UAE fee change –** Network International said that the UAE's reduction in interchange fees is a pass-through cost from the company to merchant customers, and therefore expects no adverse impact to its financials as a result. The company stated that The Central Bank of the UAE (CBUAE) action is "in line with our expectations." This will be introduced "in a phased manner, with the effective date of the changes yet to be confirmed." In the medium to longer term, expects this will "further accelerate the adoption of card and digital payment acceptance by merchants and will therefore be beneficial to our business." (Bloomberg)
- **Fitch affirms Commercial Bank of Kuwait at 'A+'; with a Stable outlook –** Fitch affirms Commercial Bank of Kuwait (CBoK)at 'A+' with a Stable outlook. CBoK's IDRs are driven by support from the Kuwaiti sovereign. The bank's Support Rating (SR) of '1' and Support Rating Floor (SRF) of A+' reflect Fitch's view of an extremely high probability of support being provided by the Kuwaiti authorities to all domestic banks if needed. CBoK's SRF is in line with Fitch's Domestic-Systemically Important Bank SRF for Kuwait. Fitch's expectation of support from the authorities is underpinned by Kuwait's strong ability to provide support to domestic banks, as reflected by the sovereign rating (AA/Stable) and a strong willingness to do so irrespective of the banks' size, franchise, funding structure and the level of government ownership. This view is reinforced by the authorities' record of support for the domestic banking system in case of need. The Central Bank of Kuwait (CBK) operates a strict regime with active monitoring to ensure the viability of banks

and has acted swiftly in the past to provide support where needed. Contagion risk among domestic banks is high (Kuwait is a small and an interconnected market) and we believe this is an added incentive to provide state support to any Kuwaiti bank if needed, to maintain market confidence and stability. The Stable Outlook on CBoK's Long-Term IDR reflects that on the Kuwaiti sovereign rating. CBoK's 'F1' Short-Term IDR is the lower of two options mapping to an 'A+' Long-Term IDR. This is because a significant proportion of the Kuwaiti banking sector funding is related to the government and a stress scenario for the banks is likely to come at a time when the sovereign itself is experiencing some form of stress. Fitch judges this "wrong-way" risk to be high in Kuwait, but not likely to happen in the short- to medium-term. (Bloomberg)

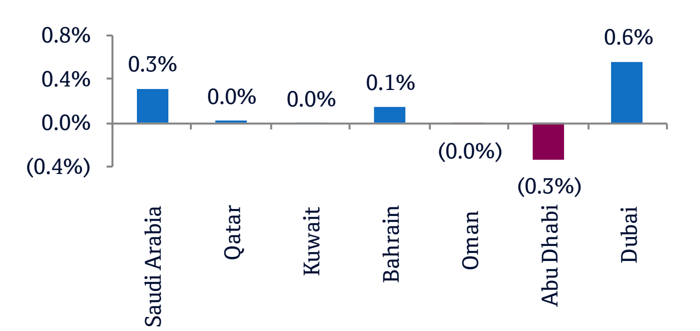
- **Kuwait's KIB denies takeover rumours –** Kuwait International Bank (KIB) has denied claims that it is to be imminently taken over, saying the rumors are ‘incorrect and untrue’. In a statement to Boursa Kuwait, Vice Chairman and CEO, Raed Jawad Bukhamseen said the bank’s management ‘has not been aware of the news’. (Zawya)
- **Boursa Kuwait suspends trading of 14 companies –** Trading has been suspended for 14 Boursa Kuwait companies for a variety of reasons, the stock market announced today. The suspensions were made by the stock market for ten different reasons, with Effect Real Estate Co and Danah Al Safat Foodstuff Co (DANAH) both suspended due to liquidation. DANAH also received a suspension for a loss exceeding 75% of paid up capital, as did Ithmaar Holding Co, Al Rai Media Group Co and Al Deera Holding Co and Ajwan Gulf Real Estate, Effect Real Estate has also failed to file any financial reports since early 2019 and has failed to pay its subscription fees in 2020. DANAH also failed to file any financial reports so far in 2020. Arabi Holding Group was suspended due to a decision by the Capital Market Authority (CMA). While Ithmaar Holding Co and Yiaco Medical Co received suspensions due to decisions by Boursa Kuwait’s Violations Committee. Ithmaar has also failed to pay subscription fees in 2020. Tamkeen Holding Co, Al Mudon Intl Real Estate, Kuwait Cable Vision were all suspended for failing to file reports and failure to pay subscription fees. Sharjah Cement & Industrial Development Co. and Ras Al Khaimah CO. for White Cement Construction Materials were both suspended for failure to pay subscription fees, while Ream Real Estate Co was suspended for failing to submit financial reports. (Zawya)
- **Investcorp invests in Chinese AI firm Terminus Technologies –** Investcorp has invested in Chinese artificial intelligence firm Terminus Technologies, the Bahrain-based alternative asset manager said in a statement. Terminus Technologies was established in 2015 and focuses on artificial intelligence. This year it was awarded a contract to develop smart cities in Chongqing, China. Investcorp did not disclose the size or value of the investment. “We believe that the global adoption of AI and Internet of Things technologies offers significant growth opportunities by accelerating digital transformation across industries and cities,” a Managing Director at Investcorp, Duncan Zheng said. Investcorp Bank has expanded its operations to China as it looks to plows money into funds and assets from Asia to the US The company agreed to invest up to $150mn in a fund with China Everbright Ltd., a cross-border asset manager listed in Hong Kong, it said in 2018. (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills at yield of 2.24% –** Bahrain sold BHD70mn of 91-day bills due on December 9, 2020. The bills were sold at a price of 99.437, have a yield of 2.24% and will settle on September 9, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,933.64	(0.0)	(0.0)	27.4
Silver/Ounce	26.83	(0.3)	(0.3)	50.3
Crude Oil (Brent)/Barrel (FM Future)	42.01	(1.5)	(1.5)	(36.3)
Crude Oil (WTI)/Barrel (FM Future)	39.77	0.0	0.0	(34.9)
Natural Gas (Henry Hub)/MMBtu	1.80	0.0	0.0	(13.9)
LPG Propane (Arab Gulf)/Ton	48.25	0.0	0.0	17.0
LPG Butane (Arab Gulf)/Ton	53.50	0.0	0.0	(19.4)
Euro	1.18	(0.2)	(0.2)	5.4
Yen	106.27	0.0	0.0	(2.2)
GBP	1.32	(0.9)	(0.9)	(0.7)
CHF	1.09	(0.3)	(0.3)	5.6
AUD	0.73	(0.1)	(0.1)	3.6
USD Index	92.72	0.0	0.0	(3.8)
RUB	75.76	0.5	0.5	22.2
BRL	0.19	0.1	0.1	(24.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,408.05	0.4	0.4	2.1
DJ Industrial#	28,133.31	0.0	0.0	(1.4)
S&P 500#	3,426.96	0.0	0.0	6.1
NASDAQ 100#	11,313.13	0.0	0.0	26.1
STOXX 600	367.97	1.5	1.5	(6.9)
DAX	13,100.28	1.8	1.8	4.2
FTSE 100	5,937.40	1.8	1.8	(21.8)
CAC 40	5,053.72	1.6	1.6	(11.0)
Nikkei	23,089.95	(0.5)	(0.5)	(0.0)
MSCI EM	1,094.56	(0.4)	(0.4)	(1.8)
SHANGHAI SE Composite	3,292.59	(1.7)	(1.7)	10.0
HANG SENG	24,589.65	(0.4)	(0.4)	(12.3)
BSE SENSEX	38,417.23	(0.1)	(0.1)	(9.7)
Bovespa#	101,241.70	0.0	0.0	(33.6)
RTS	1,218.52	(0.1)	(0.1)	(21.3)

Source: Bloomberg (*$ adjusted returns, #Market was closed on September 07, 2020)

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