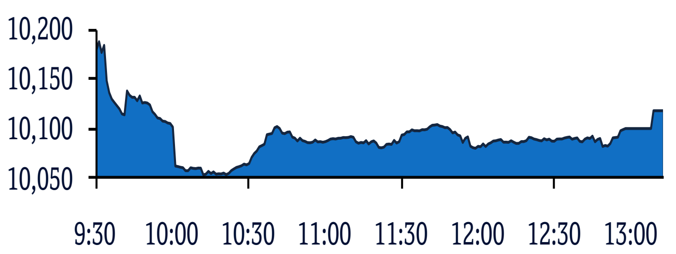
Daily Market Report

Thursday, 12 November 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.1% to close at 10,119.7. Losses were led by the Real Estate and Industrials indices, falling 1.4% and 1.2%, respectively. Top losers were Ezdan Holding Group and Al Khalij Commercial Bank, falling 3.6% and 3.4%, respectively. Among the top gainers, Qatar Gas Transport Company Limited gained 10.0%, while Gulf International Services was up 6.8%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.5% to close at 8,449.7. Gains were led by the Pharma and Consumer Durables indices, rising 3.6% and 2.6%, respectively. Saudi Industrial Export Co. rose 10.0%, while Amana Cooperative Insurance was up 9.9%.

Dubai: The DFM Index gained 0.8% to close at 2,283.0. The Services index rose 1.9%, while the Banks index gained 1.1%. Dubai Islamic Insurance and Reinsurance Company rose 6.2%, while Al Salam Group Holding was up 5.8%.

Abu Dhabi: The ADX General Index gained 1.3% to close at 4,832.3. The Banks index rose 2.1%, while the Consumer Staples index was up 1.4%. Arkan Building Materials Company rose 3.5%, while Methaq Takaful Insurance was up 3.3%.

Kuwait: The Kuwait All Share Index fell 1.3% to close at 5,532.5. The Technology index declined 2.8%, while the Industrials index fell 1.8%. National Shooting Company declined 10.1%, while Burgan Company for Well Drilling was down 6.9%.

Oman: The MSM 30 Index gained 1.0% to close at 3,611.7. Gains were led by the Financial and Services indices, rising 1.1% and 0.6%, respectively. Galfar Engg. & Contracting rose 4.9%, while Al Sharqiya Investment Holding Co. was up 4.5%.

Bahrain: The BHB Index fell 0.2% to close at 1,449.1. The Investment and Commercial Banks indices declined 0.2% each. Bahrain Commercial Facilities Company declined 4.0%, while National Bank of Bahrain was down 1.0%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Gas Transport Company Ltd.	2.99	10.0	68,612.4	25.2
Gulf International Services	1.58	6.8	12,572.7	(8.4)
Dlala Brokerage & Inv. Holding Co.	1.90	6.1	4,906.4	210.8
QNB Group	18.44	1.2	2,295.6	(10.4)
Qatar First Bank	1.72	1.2	4,534.3	110.0

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Gas Transport Company Ltd.	2.99	10.0	68,612.4	25.2
Mazaya Real Estate Development	1.26	(3.2)	40,611.9	74.5
Investment Holding Group	0.59	(2.8)	26,874.8	3.9
Ezdan Holding Group	1.65	(3.6)	24,108.7	168.0
Salam International Inv. Ltd.	0.61	(2.9)	17,066.7	17.4

Market Indicators	11 Nov 20	10 Nov 20	%Chg.
Value Traded (QR mn)	588.6	1,035.4	(43.1)
Exch. Market Cap. (QR mn)	588,108.5	589,174.8	(0.2)
Volume (mn)	278.5	591.0	(52.9)
Number of Transactions	11,551	18,548	(37.7)
Companies Traded	45	46	(2.2)
Market Breadth	13:31	20:20	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,454.78	(0.1)	2.3	1.4	17.2
All Share Index	3,126.61	0.1	2.2	0.9	17.9
Banks	4,223.70	0.2	0.8	0.1	14.9
Industrials	2,950.98	(1.2)	4.3	0.6	26.4
Transportation	3,009.31	5.3	7.3	17.8	13.7
Real Estate	1,877.49	(1.4)	3.1	20.0	16.6
Insurance	2,306.51	(0.4)	1.9	(15.7)	32.9
Telecoms	936.40	0.2	0.4	4.6	14.0
Consumer	8,130.33	(0.6)	4.0	(6.0)	23.9
Al Rayan Islamic Index	4,144.70	(0.7)	2.3	4.9	18.9

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Qatar Gas Transport Co.	Qatar	2.99	10.0	68,612.4	25.2
HSBC Bank Oman	Oman	0.10	3.3	37.5	(21.5)
First Abu Dhabi Bank	Abu Dhabi	12.24	2.9	19,947.0	(19.3)
Bank Al Bilad	Saudi Arabia	25.45	2.7	3,171.5	(5.4)
Banque Saudi Fransi	Saudi Arabia	31.80	2.6	527.7	(16.1)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mouwasat Medical Serv.	Saudi Arabia	130.00	(4.7)	1,850.1	47.7
Ezdan Holding Group	Qatar	1.65	(3.6)	24,108.7	168.0
Mabanee Co.	Kuwait	0.66	(3.5)	2,265.3	(23.2)
Boubyan Bank	Kuwait	0.63	(2.9)	2,582.0	3.2
Industries Qatar	Qatar	10.00	(2.8)	1,262.5	(2.7)

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	1.65	(3.6)	24,108.7	168.0
Al Khalij Commercial Bank	1.67	(3.4)	7,945.9	27.7
Aamal Company	0.87	(3.3)	10,927.3	7.0
Mazaya Real Estate Development	1.26	(3.2)	40,611.9	74.5
Qatar Industrial Manufacturing	2.95	(3.2)	31.6	(17.3)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar Gas Transport Co. Ltd.	2.99	10.0	204,446.9	25.2
Mazaya Real Estate Development	1.26	(3.2)	52,316.3	74.5
QNB Group	18.44	1.2	42,140.0	(10.4)
Ezdan Holding Group	1.65	(3.6)	39,879.2	168.0
Qatar International Islamic Bank	8.65	(0.3)	21,464.1	(10.6)

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*	10,119.69	(0.1)	2.3	4.4	(2.9)	159.49	159,318.6	17.2	1.5	3.9
Dubai	2,283.02	0.8	5.7	4.3	(17.4)	103.13	87,587.3	9.6	0.8	4.3
Abu Dhabi	4,832.25	1.3	2.4	3.7	(4.8)	166.08	196,495.5	17.2	1.4	5.1
Saudi Arabia	8,449.66	0.5	4.5	6.9	0.7	3,178.50	2,434,407.3	31.7	2.0	2.4
Kuwait	5,532.45	(1.3)	1.1	1.6	(11.9)	220.13	102,067.9	34.4	1.3	3.5
Oman	3,611.73	1.0	1.7	1.5	(9.3)	6.27	16,398.4	10.9	0.7	6.9
Bahrain	1,449.13	(0.2)	0.5	1.5	(10.0)	2.45	22,140.1	14.1	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 0.1% to close at 10,119.7. The Real Estate and Industrials indices led the losses. The index fell on the back of selling pressure from Qatari shareholders despite buying support from GCC, Arab and Foreign shareholders.
- Ezdan Holding Group and Al Khalij Commercial Bank were the top losers, falling 3.6% and 3.4%, respectively. Among the top gainers, Qatar Gas Transport Company Limited gained 10.0%, while Gulf International Services was up 6.8%.
- Volume of shares traded on Wednesday fell by 52.9% to 278.5mn from 591.0mn on Tuesday. However, as compared to the 30-day moving average of 276.3mn, volume for the day was 0.8% higher. Qatar Gas Transport Company Limited and Mazaya Real Estate Development were the most active stocks, contributing 24.6% and 14.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	43.64%	59.70%	(94,525,956.7)
Qatari Institutions	16.53%	11.74%	28,196,327.5
Qatari	**60.18%**	**71.44%**	**(66,329,629.2)**
GCC Individuals	1.24%	1.04%	1,177,961.9
GCC Institutions	0.97%	1.10%	(728,802.3)
GCC	**2.21%**	**2.14%**	**449,159.7**
Arab Individuals	13.41%	12.58%	4,888,335.0
Arab Institutions	0.47%	0.02%	2,676,050.0
Arab	**13.88%**	**12.59%**	**7,564,385.0**
Foreigners Individuals	3.50%	4.07%	(3,372,696.1)
Foreigners Institutions	20.24%	9.76%	61,688,780.7
Foreigners	**23.74%**	**13.83%**	**58,316,084.6**

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

Earnings Releases and Global Economic Data

Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2020	% Change YoY	Operating Profit (mn) 3Q2020	% Change YoY	Net Profit (mn) 3Q2020	% Change YoY
Tihama Advertising and Public Relations Co.	Saudi Arabia	SR	33.4	-16.7%	(2.8)	N/A	(9.7)	N/A
Kingdom Holding Co.	Saudi Arabia	SR	300.4	531.2%	(87.0)	N/A	(192.7)	N/A
Saudi Industrial Export Co.	Saudi Arabia	SR	11.3	-48.2%	(0.3)	N/A	(1.3)	N/A
Red Sea International Co.	Saudi Arabia	SR	114.0	-19.2%	(41.5)	N/A	(44.8)	N/A
Anaam International Holding Group	Saudi Arabia	SR	1.5	-26.7%	(2.2)	N/A	(1.1)	N/A
Tourism Enterprise Co.	Saudi Arabia	SR	6.4	57.9%	(1.2)	N/A	(1.5)	N/A
Dur Hospitality Co.	Saudi Arabia	SR	99.6	-28.4%	6.5	-70.7%	(8.4)	N/A
Sadara Basic Services Company	Saudi Arabia	SR	2,809.0	15.2%	74.7	N/A	(513.7)	N/A
National Agricultural Dev. Co.	Saudi Arabia	SR	587.2	1.5%	(35.1)	N/A	(44.9)	N/A
Saudi Cable Co.	Saudi Arabia	SR	92.6	13.5%	(42.8)	N/A	51.4	N/A
Fitaihi Holding Group	Saudi Arabia	SR	55.6	200.5%	44.2	1009.4%	38.1	1645.8%
Saudi Real Estate Co.	Saudi Arabia	SR	134.7	53.4%	0.2	N/A	(8.0)	N/A
Raydan Food Co.	Saudi Arabia	SR	29.4	-52.0%	(35.5)	N/A	(38.3)	N/A
Emaar Development*##	Dubai	AED	4.3	N/A	–	–	1.4	N/A
Unikai Foods	Dubai	AED	61.0	-29.4%	4.6	-34.8%	4.0	-20.6%
Air Arabia	Dubai	AED	293.5	-79.6%	–	–	(44.1)	N/A
Arab Insurance Group	Dubai	USD	(3.1)	N/A	–	–	6.2	70.6%
Oman Insurance Company	Dubai	AED	816.8	2.9%	–	–	49.8	31.0%
Aldar Properties	Abu Dhabi	AED	2,094.2	30.5%	–	–	426.2	11.1%
Finance House	Abu Dhabi	AED	36.9	-13.9%	–	–	10.0	261.5%
Al Dhafra Insurance Co.	Abu Dhabi	AED	65.7	-22.6%	–	–	13.2	-47.9%
Abu Dhabi National Oil Co. Fo	Abu Dhabi	AED	4,030.3	-28.5%	710.2	25.7%	670.9	22.3%
Umm Al Qaiwain General Inv. Co.	Abu Dhabi	AED	8.9	423.8%	–	–	7.2	589.5%
Bahrain Family Leisure#	Bahrain	BHD	29.1	-92.1%	(139.7)	N/A	(450.5)	N/A
Bahrain Duty Free Shop Complex	Bahrain	BHD	2.1	-77.9%	(0.4)	N/A	(0.3)	N/A
Esterad Investment Company#	Bahrain	BHD	447.8	-22.9%	–	–	170.4	-26.0%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands, ## – Values in Billions *Financial for 9M2020)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
11/11	US	Mortgage Bankers Association	MBA Mortgage Applications	06-Nov	-0.5%	–	3.8%
11/11	Japan	Bank of Japan	Money Stock M2 YoY	Oct	9.0%	9.1%	9.0%
11/11	Japan	Bank of Japan	Money Stock M3 YoY	Oct	7.5%	7.6%	7.4%
11/11	China	The People's Bank of China	Money Supply M0 YoY	Oct	10.4%	10.7%	11.1%
11/11	China	The People's Bank of China	Money Supply M1 YoY	Oct	9.1%	8.2%	8.1%
11/11	China	The People's Bank of China	Money Supply M2 YoY	Oct	10.5%	10.9%	10.9%

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

News

Qatar

- **QSE clarifies on trading volume of MRDS –** Qatar Stock Exchange (QSE) clarified yesterday that the Mazaya Real Estate Development (MRDS) has affirmed that there is no undisclosed information or decisions, or substantial news affecting the increase in trading volume on its shares. QSE said in a statement on its website that the management of Qatar Stock Exchange, based on the principle of disclosure and transparency, had addressed that MRDS regarding the high volume of trading on its shares. The company stated that there was no information or decisions that were not disclosed. QSE noted that MRDS affirmed its full commitment to laws and legislations related to the principles of disclosure and transparency, and its keenness on the interests of dealers. In a similar development, QSE had clarified on Tuesday that the 'Qatari German Company for Medical Devices' affirmed that there is no undisclosed information or decisions, or substantial news affecting the increase in trading volume on its shares. (Peninsula Qatar)
- **CEO: Manateq to invest QR10.3bn in new industrial zones –** The Economic Zones Company Qatar (Manateq) has announced to invest over QR10bn in developing infrastructure in various industrial zones, according to the Manateq's CEO, Fahad Rashid Al Kaabi. This massive amount of money will be spend on developing basic infrastructure facilities such as water, electricity and sewer system in new projects over the next five years. This estimated investment of QR10.3bn is new allocation, and does not include Manateq's other projects which are already under development or at the verge of completion, said the CEO of the state backed company. (Peninsula Qatar)
- **All government bodies must complete strategic projects by 2022-end –** Prime Minister and Minister of Interior HE Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani has directed all governmental bodies to complete all the strategic projects before the end of 2022. The PM said the Ministry of Administrative Development, Labor and Social Affairs (MADLSA) will support the bodies technically in implementing the projects. Chairing the Cabinet meeting on Wednesday, the PM said the strategic plans of governmental bodies should include the following: A project for the description, classification and arrangement of job positions for each entity, a project for documenting work procedures in each entity and a project for preparing job curriculum for each entity. (Qatar Tribune)
- **Weekly real estate deals exceed QR472mn –** Real estate transactions worth QR472.580mn took place in Qatar between November 1 and 5, according to data from the Ministry of Justice's Department of Real Estate Registration. The weekly bulletin issued by the department showed that the list of real estate properties traded for sale included houses, residential buildings and multi-purpose empty land plots. The sales were concentrated in the municipalities of Al Rayyan, Al Daayen, Doha, Al Wakrah, Umm Salal, Al Khor, Al Dhakhira, and Al Shamal. The real estate transactions between October 25 and 29 in Qatar stood at QR317.229mn. (Qatar Tribune)

International

- **IMF eyes new relationship with biggest shareholder after Biden win –** The election of Joe Biden as US president gives the International Monetary Fund a chance to reset its relationship with the US, its largest shareholder, and make green initiatives a bigger part of its global economic recovery plan. IMF Managing Director Kristalina Georgieva sent "personal" letters to President-elect Biden and running mate Kamala Harris this week, an IMF spokesman told Reuters, without providing any details about their contents. Trump has mounted legal challenges to the election results, thus far without evidence, but the Fund typically shies away from publicly commenting on elections until they are concluded. Sources familiar with Georgieva's goals say Biden's commitment to multilateral institutions and his pledge to re-enter the Paris climate agreement should help the IMF advance its own targets. Biden's transition team did not respond to a question about communications with Georgieva and the IMF. One IMF source said that some member countries are hoping Biden will reconsider the Trump administration's opposition to new IMF resources, including a general allocation of new Special Drawing Rights that could boost members' currency reserves by hundreds of billions of dollars. Treasury Secretary Steven Mnuchin has opposed such measures, which were last deployed during the 2009 financial crisis when Biden was vice president. Mnuchin has also opposed a new increase in the IMF's quota resources that could boost the shareholding of China and other big emerging market countries, a move also executed when Biden was last in office. (Reuters)
- **UK tries to reassure business leaders over Brexit with new task force –** Britain will attempt to reassure nervous business leaders that it appreciates the need for clarity on rules outside of the European Union by setting up a task force to discuss challenges

50 days before the transition period ends. The UK left the EU in January, but the sides are trying to clinch a deal that would govern nearly 1tn dollars in annual trade before the status quo transitional arrangements end on December 31. Outside the EU's single market where trade flows freely, Britain's exporters will have to complete a raft of paperwork including customs and safety declarations and deal with multiple IT systems to gain entry to Europe. Companies will have to complete paperwork and submit goods for random checks to cross borders, increasing both the cost and time it takes to do business. With its first meeting taking place virtually on Thursday, the new task force involving businesses and senior ministers will meet each week into next year. Each meeting will focus on a specific sector. Relevant companies and major business lobby groups will be invited. EU and UK sources have told Reuters that negotiations were expected to run through the end of this week, missing their mid-November deadline for a new Brexit deal. Fishing quotas, fair competition for companies in areas such as state aid, and how to settle future disputes are the main sticking points that have so far barred an agreement. (Reuters)

- **RICS: UK house price growth hits 21-year high, weaker 2021 likely –** The boom in Britain's housing market carried on into October as a gauge of house price growth struck a new 21-year high, but next year looks set to be much quieter, a survey showed on Thursday. The Royal Institution of Chartered Surveyors (RICS) said its house price index rose unexpectedly to +68 from +62 in September, the highest reading since September 1999. A Reuters poll of economists had pointed to a reading of +55. The survey, based on responses of surveyors across the United Kingdom, showed little sign of a let-up in a surge in housing market activity since the coronavirus lockdown earlier this year. The bounce-back reflects pent-up demand from the lockdown, people seeking bigger homes and a temporary cut to property sales tax by Finance Minister Rishi Sunak. Around 782,000 people on payrolls have lost their job since the start of the pandemic, according to tax data published earlier this week. Although there is now hope that an effective vaccine against COVID-19 will arrive soon, the economy is likely to struggle through the next few months. RICS' gauge of housing sales expectations for the next 12 months remained firmly in negative territory in October, despite a slight improvement from September's reading. (Reuters)
- **Germany's Scholz: We can unleash more stimulus if needed –** Germany has enough fiscal firepower to unleash more rescue and stimulus measures if needed to counter the impact of the COVID-19 pandemic on Europe's largest economy, Finance Minister Olaf Scholz said on Thursday. "Our country has the financial strength this year and next to do everything that is necessary to keep control of the pandemic and to cushion the related economic consequences," Scholz told the RND newspaper group. Germany has since March unleashed an unprecedented array of rescue and stimulus measures, financed with record new borrowing of up to 218bn Euros (£194bn) for which parliament suspended strict borrowing limits in the constitution. A government source told Reuters last month that Scholz was planning to take on an additional 120bn Euros of new debt next year to finance further aid measures and help companies survive the second wave of the pandemic. "If needed, we can do more," Scholz said, adding that citizens had to get used to the "new normality" of social distancing and curbs to slow the spread of the coronavirus. As long as doctors didn't have therapies and citizens were not vaccinated, authorities had to watch the development of the pandemic very closely and act quickly to avoid having hospitals reach their limits, Scholz said. (Reuters)
- **German economic advisers cut growth outlook for 2021 –** The German government's council of economic advisers expects Europe's largest economy to shrink less than initially feared this year thanks to a strong summer, but a second wave of the COVID-19 pandemic is clouding the growth outlook for next year. The council now sees the economy shrinking by 5.1% this year which translates into a calendar-adjusted and internationally comparable drop of 5.5%. In June, it had forecast -6.5% (or -6.9% in calendar-adjusted terms). This means that the economic devastation caused by the pandemic could be smaller than the shock suffered during the global financial crisis in 2009, when the German economy shrank by 5.6%. For 2021, the council lowered its GDP growth forecast to 3.7% from its previous estimate of 4.9%. The advisers expect economic output to shrink slightly in the fourth quarter and barely grow in the first quarter as a second wave of infections has led to renewed lockdown measures. The council lauded the various rescue and stimulus measures put in place by Chancellor Angela Merkel's government and European Union leaders as mostly right and effective. (Reuters)
- **Japan's machinery orders fall, clouding outlook for capital spending recovery –** Japan's core machinery orders fell for the first time in three months in September and at faster than expected pace, denting hopes that a quick pickup in business spending could help the economy stage a brisk recovery from its COVID-19 crisis. The decrease in core orders underscored corporate Japan's reluctance to commit to more capital investment as a resurgence in coronavirus infections darkened the outlook for global demand. Core machinery orders, a highly volatile data series regarded as an indicator of capital spending in the coming six to nine months, lost 4.4% in September after a 0.2% rise in the previous month. The drop, which marked the first decline since June, was much larger than a 0.7% contraction seen by economists in a Reuters poll. Manufacturers expected core orders to fall 1.9% in October-December, after a 0.1% drop in the previous quarter that marked the fifth straight quarter of declines, the Cabinet Office data showed on Thursday. Core orders were dragged down by lower spending on electrical measuring instruments and information services, such as communication networks, a government official said. Japan's economy is gradually recovering from the shock of the coronavirus pandemic largely thanks to stronger overseas demand in recent months, which fueled a pickup in output. (Reuters)
- **India to spend $27bn over 5 years to boost manufacturing –** India's cabinet on Wednesday approved a proposal to provide production-linked incentives of about 2tn Rupees ($27bn) over five years to create jobs and boost manufacturing in the country, the finance minister said. The incentives will be given to manufacturers in 10 sectors including automobiles and auto parts, pharmaceuticals, textiles and food products to attract

investment, Nirmala Sitharaman said. The scheme has been designed to ensure that "critical sunrise sectors get necessary support from the government so we are able to build an India which is strong enough to serve the domestic market and link up with the global value chain," Sitharaman said. The move is part of India's effort to create 'champion' sectors to attract investment and comes amid calls by Prime Minister Narendra Modi to be self-reliant as a nation. Under the proposal, the government will give incentives worth $7.67bn to auto and auto parts companies, $2bn to the pharmaceutical sector and around $1.48bn each to manufacturers of textile and food products. The plan is the latest attempt by Asia's third-largest economy to boost manufacturing -- one of the weaker links that has limited its economic growth and exports. A lack of incentives, issues in procuring land and archaic labor policies have discouraged investment. The government in September cleared long-delayed labor reforms. (Reuters)

- **ICRA: 'Revenue shock' forces Indian states to cut capital spending by up to $36bn –** Indian states are expected to cut their total capital spending by 2.5tn to 2.7tn Rupees ($33.61bn to $36.3bn) due to the strain the coronavirus pandemic has put on their revenue, rating agency ICRA said on Wednesday. It said states' debt levels were also expected to deteriorate sharply to 28.9% of gross state domestic product in the fiscal year to March 2021 compared with 21.9% in 2018/19 and an estimated 22.3% in 2019/20. The sample of states surveyed include 12 of the biggest, whose combined gross state domestic product was equivalent to three-quarters of national GDP in 2018/19, ICRA said. Though central government collects the bulk of the taxes, it is the states which do most of the expenditure, including on education, healthcare, law and order. ICRA said with the states' revenues falling sharply, most of their enhanced borrowing would go towards funding the deficits, leaving them with little option other than to substantially compress capital expenditure. ICRA said that given the adverse impact of COVID-19 crisis on the tax revenues of central government and the excess tax given to states in 2019/20, the center is expected to provide only 5tn Rupees to states in FY21, versus the budgeted amount of 7.8tn Rupees. (Reuters)

Regional

- **OPEC expects coronavirus to curb oil demand recovery into 2021 –** Global oil demand will rebound more slowly in 2021 than previously thought because of rising coronavirus cases, OPEC said on Wednesday, hampering efforts by the group and its allies to support the market. Demand will rise by 6.25mn bpd next year to 96.26mn bpd, the OPEC said in a monthly report. The growth forecast is 300,000 bpd less than expected a month ago. The weakening demand recovery could support the case for OPEC and its allies, a group known as OPEC+, to delay a scheduled oil-output boost next year. Algeria said on Wednesday OPEC+ could even make further curbs if needed. OPEC's report said moves by European governments to shut restaurants and encourage working from home would hit fuel demand for the rest of 2020, with the pandemic's impact on the oil market lingering until the middle of next year. "The oil demand recovery will be severely hampered and sluggishness in transportation and industrial fuel demand is now assumed to last until mid-2021," OPEC said in the report. This is the last report before an OPEC+ advisory panel meets next week and their next policy meeting on November 30 and December 1. (Reuters)
- **OPEC+ could deepen oil cuts if needed, says Algerian Energy Minister –** OPEC+ could extend the group's current oil production cuts into 2021 or deepen them further if market conditions require, Algeria's Energy Minister, Abdelmadjid Attar told an industry event on Wednesday. The OPEC and allies led by Russia, a group known as OPEC+, are due to reduce their existing cuts of 7.7mn bpd by about 2mn bpd in January. "I can assure you that OPEC remains committed to taking appropriate actions, in cooperation with its partners in the Declaration of Cooperation, in a manner that is proactive and effective," he said. "This includes the possibility of extending today's production adjustments into 2021, as well as deepening these adjustments, should market conditions require," he added. Attar last week said that Algeria, which currently holds the OPEC presidency, supported an extension of the current cuts into next year, adding that the next OPEC+ meeting could consider a six-month extension. (Reuters)
- **S&P: Islamic finance industry likely to slow in 2020-21 –** The global Islamic finance industry is expected to show low-to-mid-single-digit growth in 2020-2021 after 11.4% in 2019 following strong Sukuk market performance, S&P said in a new report. This is due to the significant slowdown in core Islamic finance economies in 2020, amid measures implemented by various governments to contain the COVID-19 pandemic, and the expected mild recovery in 2021. Despite the challenging environment, S&P has highlighted opportunities to accelerate and unlock the long-term potential of the industry. In particular: Islamic finance social instruments can help core countries, banks, companies and individuals economically affected by the pandemic navigate current conditions, with market participants eyeing Qard Hassan, Zakat, Waqf, and Social Sukuk. The Islamic Development Bank (IsDB) was a first mover with its $1.5bn sustainability Sukuk, which will reportedly be used to help member countries cope with the effects of the pandemic, particularly in the health care and small and midsize enterprises segments. Similar issuances are expected in core Islamic finance countries and they could help put the Islamic finance industry back on environmental, social, and governance (ESG) investors' radar, the report said. Streamlining sukuk issuance will restore its attractiveness to issuers. Issuing sukuk remains more complex and time consuming than conventional bonds. As with previous crises, the pandemic has shown that when Islamic finance issuers need swift access to capital markets, they typically use conventional instruments. However, there are some exceptions including issuers with already-established programs or that can tap a recent issuance; issuers that are under stress and need to access all available funding sources; or issuers that are domiciled in jurisdictions where the Sukuk process is streamlined. Because of the pandemic, stakeholders are realizing the importance of inclusive standardization, Lockdown measures, implemented by various countries around the world, have also shown the importance of leveraging technology and creating a nimbler Islamic finance industry. Higher digitalization and fintech collaboration could help

strengthen the resilience of the industry in a more volatile environment and open new avenues for growth. However, recent months have demonstrated that there is still room for improvement, particularly for Sukuk issuance, compliance with regulations, and ease and speed of execution. (Zawya)

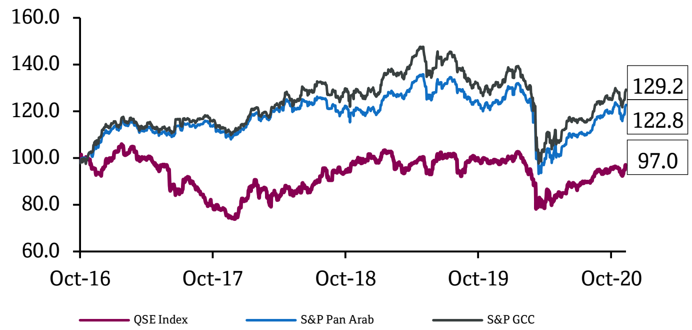
- **IMF could revise 2020 MENA outlook on vaccine –** In light of news on a possible Covid-19 vaccine, the IMF may consider revisiting its economic outlook forecast for the Middle East and North Africa region, MENA and Central Asia Director, Jihad Azour said. (Bloomberg)
- **Saudi King says Kingdom working to guarantee stable global oil supply –** Saudi Arabia's King Salman on Thursday said the Kingdom is working to guarantee the stability of global oil supplies to serve both producers and consumers despite COVID-19's impact on oil markets. The King gave his remarks virtually in an annual address to the appointed Shura Council, a top governmental advisory body. (Reuters)
- **Saudi Aramco proposes selling gas to China to build on oil ties –** Saudi Aramco wants to sell natural gas to China to help its biggest customer for oil make the transition to cleaner fuels, Chief Executive Officer, Amin Nasser said. The Saudis, who have fought to remain among China's largest crude suppliers, are also looking at options to develop and supply energy sources such as hydrogen and new kinds of chemicals to broaden their relationship with China, according to comments Nasser made on Wednesday to the China Development Forum. China last month pledged to become carbon neutral by 2060. Though the country's leadership offered little detail on how it would get there, fulfilling that pledge would mark a big shift for a major user of coal and oil. Most analysts and many oil majors predict crude use will peak long before China's target date. "We can also supply bridge fuels that will help meet China's growing need for clean energy, as we expand into international gas and LNG," Nasser said. (Bloomberg)
- **Saudi oil giant pitches gas to China in cleaner-fuels push –** Saudi Aramco wants to sell natural gas to China to help its biggest customer for oil make the transition to cleaner fuels, Chief Executive Officer, Amin Nasser said. The Saudis, who have fought to remain among China's largest crude suppliers, are also looking at options to develop and supply energy sources such as hydrogen and new kinds of chemicals to broaden their relationship with China, according to comments Nasser made on Wednesday to the China Development Forum. Aramco is the world's largest oil exporter-China, the biggest buyer. China pledged in September to become carbon neutral by 2060. Though the country's leadership offered little detail on how it would get there, fulfilling that pledge would mark a big shift for a major user of coal and oil. Most analysts and many oil majors predict crude use will peak long before China's target date. "We can also supply bridge fuels that will help meet China's growing need for clean energy, as we expand into international gas and LNG," Nasser said. "There are opportunities to collaborate in the development and use of clean future fuels such as hydrogen and other chemicals-type clean fuels." He added that technology to transform crude oil directly into chemicals is at "an advanced stage." Aramco is working with Tsinghua University in Beijing on a pilot project for the catalytic transformation of oil to chemicals, he said. (Bloomberg)
- **Fitch revises SABIC's outlook to Negative; affirms at 'A' –** Fitch Ratings has revised Saudi Basic Industries Corporation (SABIC)'s outlook to Negative from stable, and affirmed the chemicals company's Long-Term Issuer Default Rating (IDR) at 'A'. The Outlook revision follows a similar rating action on its parent Saudi Arabian Oil Company (Saudi Aramco; A/Negative). The rating of SABIC is aligned with that of its parent, reflecting overall moderate ties between the two companies. This is in accordance with Fitch's Parent and Subsidiary Linkage (PSL) Rating Criteria, which Fitch applies following Saudi Aramco's acquisition of SABIC. Fitch's assessment of SABIC's standalone credit profile (SCP) is unchanged at 'a+', which reflects the company's cost leadership and conservative financial profile. SABIC's leverage should remain strong, although Fitch forecasts its 2020 revenue to drop almost 25% and its 2020 EBITDA margin to decline to below 20%, driven by pandemic-related disruption complicating the petrochemical market oversupply. Fitch expects free cash flow (FCF) to turn negative at 8% of sales in 2020-2021, and funds from operations (FFO) net leverage to increase to 0.5x by end-2021 from -0.1x at end-2019, and to remain at a moderate level. Outlook Revision Driven by Sovereign: Fitch revised the outlook of Saudi Arabia's IDRs to Negative from Stable on November 9, 2020, followed by a similar rating action on Saudi Aramco. SABIC's rating could be downgraded in case of a downgrade of Saudi Arabia's IDR, as the latter constrains the rating of Saudi Aramco. No Impact from Parent Change: Saudi Aramco completed its acquisition of a 70% stake in SABIC in June 2020, with no rating impact on the latter. As a result, SABIC (which was previously majority state-owned) ceased to be a government-related entity (GRE), leading us to apply our PSL Rating Criteria to SABIC's rating. Fitch views SABIC's ties with Saudi Aramco as moderate, warranting an alignment of SABIC's IDR with that of Saudi Aramco. (Bloomberg)
- **Fitch gives 'AA-' rating to the UAE, one notch below Abu Dhabi –** Credit ratings agency Fitch has assigned the UAE an AA-(minus) rating with a stable outlook, citing moderate consolidated public debt levels, high GDP per capita and its strong net external asset position. This marks the UAE federal government's first credit rating from Fitch, a Fitch spokesman said. The rating also reflects the likely support, if needed, of Abu Dhabi, the Gulf country's richest emirate and its capital. Oil-rich Abu Dhabi is rated AA by Fitch, one notch above the federal government. "These strengths are balanced by weak governance indicators relative to rating peers, the high dependence on hydrocarbon income of the UAE, the significant indebtedness of some of the Emirates and their government-related entities, and the absence of an explicit guarantee by Abu Dhabi," Fitch said on Wednesday. The coronavirus crisis has hit vital non-oil sectors of the UAE's economy such as tourism and transportation, while lower oil prices have impacted revenues. Fitch expects the UAE to have a consolidated budget deficit of 3.8% of GDP this year from a surplus of 3.8% in 2019. It forecasts the UAE economy could contract by 6.8% this year. (Reuters)

- **Dubai considers sale of airport cooling system business –** Dubai is considering the sale of the cooling system operations of its normally busy Dubai International Airport, sources said. The airport, which handled around 90mn passengers a year before the COVID-19 pandemic brought air travel to a halt, has been the busiest for international travelers since 2014. Standard Chartered has been hired to advise on the potential deal, one of the sources said. A second source with the matter said although a sale of the cooling system operations was being considered, it may not end up being sold. Dubai's Department of Finance will make the final decision, the source said, adding that all options were being evaluated. Bloomberg, citing unidentified sources, earlier reported that the cooling system business was up for sale and worth around $750mn. A controlling stake is being offered to investors, who would get a long-term operating contract, the first source said. (Reuters)
- **Dubai Islamic Bank mandates banks for US dollar Sukuk –** Dubai Islamic Bank has mandated banks to arrange investor calls ahead of a planned sale of benchmark fixed-rate perpetual Sukuk for additional Tier 1 purpose, a document said. Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, Sharjah Islamic Bank, and Standard Chartered Bank will act as joint lead managers and joint bookrunners to arrange a series of fixed income investor calls commencing on Wednesday. (Zawya)
- **Louis Dreyfus to gain first outside investor via deal with Abu Dhabi's ADQ –** Louis Dreyfus Company (LDC) has agreed to sell a 45% stake to Abu Dhabi's ADQ, the companies said on Wednesday, the first outside investment in the family-owned commodity merchant's 169-year-old history. The deal comes after a search by chairwoman Margarita Louis-Dreyfus for an investor to relieve debt built up to buy out other shareholders, and extends state-owned holding company ADQ's foray into food commodities that are crucial to import-reliant Gulf states. Along with Archer Daniels Midland Co, Bunge Ltd and Cargill, Dreyfus belongs to the ABCD quartet of leading agricultural commodity traders. The transaction price was not disclosed, but LDC's press office said at least $800mn of the proceeds will go towards repaying a $1bn loan LDC made to bail out Brazilian sugar firm Biosev, which is controlled by one of its holding firms. The deal also includes a long-term supply agreement to sell agricultural commodities to the UAE, the companies said. Margarita Louis-Dreyfus, who took control of LDC in 2009 after the death of her husband Robert, had been seeking an investor after borrowing $1bn from Credit Suisse to buy out minority family shareholders in early 2019 after acrimonious negotiations. (Reuters)
- **Equis raises $1.25bn for renewable energy, waste projects –** Equis Development Pte Ltd' signed binding agreement with Abu Dhabi Investment Authority's unit, Ontario Teachers' Pension Plan Board and Equis management team for a $1.25bn investment, according to a statement. Equis is currently developing or constructing 40 assets across Australia, Japan and South Korea. The company will finance and oversee asset's lifecycle; the company is focused on developing primary and hybrid renewable energy and biomass generation, power distribution and waste infrastructure assets. (Bloomberg)
- **ADNOC announces first unconventional gas delivery from the UAE –** The Abu Dhabi National Oil Co. (ADNOC) announced on Wednesday the delivery of the first unconventional gas from the UAE. (Reuters)
- **Abu Dhabi signs LNG supply agreements with Total and Vitol –** ADNOC LNG has signed agreements to supply energy trader Vitol and France's Total with more liquefied natural gas, the company said in a statement. The company will supply Vitol with 1.8mn tons per year for up to 6 years, starting after 2022, it will supply 750k tons per year to Total in 2021 and 2022. ADNOC LNG produces about 6mn tons per year from its facilities on Das Island, Abu Dhabi, Co. owned by ADNOC (70%), Mitsui & Co. (15%), BP (10%) and Total (5%). (Bloomberg)
- **Air Arabia in talks with government for funding, CEO says –** Air Arabia is in talks with the government over financial assistance to help it get through the coronavirus crisis, its Chief Executive, Adel Ali said on Wednesday. Asked if the budget carrier would need interim funding from the government, he told a virtual CAPA aviation summit: "We have put a request in. If it comes, we will be very happy. It will help us to pay some of our outstanding quicker. If it doesn't, I think we can survive hopefully for some time to come." (Reuters)
- **Kuwait's Pension Fund cuts stocks in shift to infrastructure –** Kuwait's $124bn pension fund is reducing its allocation to stocks in favor of alternatives like infrastructure and private equity, as it seeks to boost returns and cut a massive cash pile. The new plan, developed with US-based consultancy Mercer, will start next year and will entail increasing infrastructure investments to 10% of its portfolio from 5%, "as well as fine tuning some of the other allocations," Director General of the Public Institution for Social Security, Meshal Al-Othman said. The fund, known as PIFSS, sees "lots of opportunities" in infrastructure over the next few years, especially in the US, he said. The fund, which posted a record first-half profit, is looking to raise private equity's weight to 13% from 10%, while lowering its allocation for equities to 22% from 27%, he said. Cash currently accounts for 10% of its investments, and the plan is to reduce it to 4% by March. (Bloomberg)
- **Kuwait becomes bigger than Turkey, UAE in popular EM index –** Kuwait will have a bigger representation in the most popular emerging-market equities benchmark than Turkey, the UAE, Chile and Argentina, to name a few. MSCI announced in a review that seven Kuwaiti shares will make up 0.58% of the MSCI Emerging Markets Index, a group composed of four banks, a telecom operator, a logistics company and an industrial manufacturer. Kuwait's upgrade was initially expected for May but was postponed due to operational difficulties associated with the coronavirus outbreak. (Bloomberg)
- **Bahrain Petroleum Co. plans to stop making fuel oil by 2025 –** Bahrain Petroleum Co. will stop producing fuel oil from its Sitra refinery from 2025, Chairman, Dawood Nassif said. State-run co. took decision because of low fuel-oil prices and more stringent environmental rules for shipping fuels since January: Nassif, in interview with consultant Gulf Intelligence. "For us, the future is clear: our barrel is focused on diesel and jet fuel." BAPCO will announce plans next year to invest in project that

would eliminate fuel oil from its sole refinery's output. Around 6% of Sitra's current production is fuel oil. (Bloomberg)

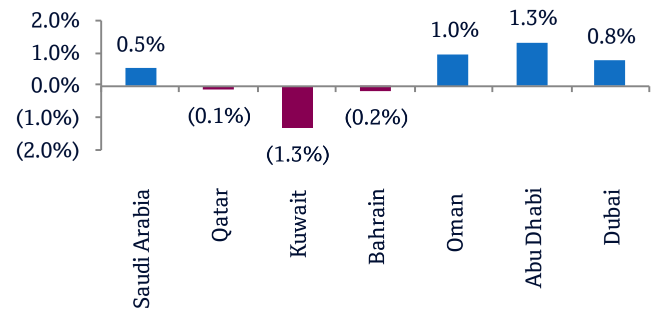
- **Ahli United Bank reports net profit of $115.9mn in 3Q2020 –** Ahli United Bank- Bahrain reported net profit for the third quarter of $115.9mn in 3Q2020 as compared to $180.9mn in 3Q2019. The 3Q2020 net operating income came in at $212.2mn, a decrease of 25% YoY. The 3Q2020 impairments stood at $35.2mn compared to $4.89mn in 3Q2019. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,865.73	(0.6)	(4.4)	23.0
Silver/Ounce	24.28	0.2	(5.2)	36.0
Crude Oil (Brent)/Barrel (FM Future)	43.80	0.4	11.0	(33.6)
Crude Oil (WTI)/Barrel (FM Future)	41.45	0.2	11.6	(32.1)
Natural Gas (Henry Hub)/MMBtu	2.75	6.6	3.0	31.6
LPG Propane (Arab Gulf)/Ton	55.63	1.1	(0.7)	34.8
LPG Butane (Arab Gulf)/Ton	71.25	0.0	(4.7)	8.8
Euro	1.18	(0.3)	(0.8)	5.0
Yen	105.43	0.1	2.0	(2.9)
GBP	1.32	(0.4)	0.5	(0.3)
CHF	1.09	(0.2)	(1.8)	5.5
AUD	0.73	(0.0)	0.3	3.7
USD Index	93.04	0.3	0.9	(3.5)
RUB	77.12	0.7	(0.4)	24.4
BRL	0.19	0.4	(0.5)	(25.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,528.25	0.8	2.4	7.2
DJ Industrial	29,397.63	(0.1)	3.8	3.0
S&P 500	3,572.66	0.8	1.8	10.6
NASDAQ 100	11,786.43	2.0	(0.9)	31.4
STOXX 600	388.56	0.7	5.1	(2.0)
DAX	13,216.18	0.0	4.9	4.8
FTSE 100	6,382.10	1.1	8.4	(15.8)
CAC 40	5,445.21	0.1	8.8	(4.5)
Nikkei	25,349.60	1.5	2.0	10.5
MSCI EM	1,178.86	(0.1)	0.2	5.8
SHANGHAI SE Composite	3,342.20	(0.8)	0.6	15.1
HANG SENG	26,226.98	(0.3)	2.0	(6.5)
BSE SENSEX	43,593.67	0.5	3.3	1.1
Bovespa	104,808.80	(1.0)	4.3	(32.7)
RTS	1,233.81	0.1	4.7	(20.3)

Source: Bloomberg (*$ adjusted returns)

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