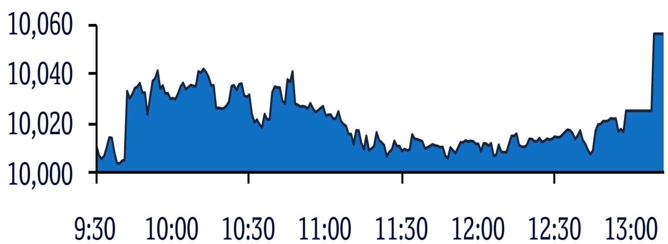
Daily Market Report

Tuesday, 13 October 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.6% to close at 10,057.0. Gains were led by the Insurance and Banks & Financial Services indices, gaining 2.5% and 0.7%, respectively. Top gainers were Qatar General Insurance & Reinsurance Company and Ahli Bank, rising 8.1% and 3.1%, respectively. Among the top losers, Qatar First Bank fell 1.7%, while Medicare Group was down 1.4%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.4% to close at 8,544.9. Gains were led by the Capital Goods and Software & Services indices, rising 2.2% and 2.0%, respectively. Al Yamamah Steel Industries rose 10.0%, while Tihama Advertising was up 8.7%.

Dubai: The DFM Index gained 0.5% to close at 2,234.8. The Real Estate & Construction index rose 1.3%, while the Investment & Financial Services index gained 0.6%. Union Properties rose 4.1%, while Ajman Bank was up 2.8%.

Abu Dhabi: The ADX General Index gained 0.9% to close at 4,532.8. The Real Estate and Banks indices rose 1.4% each. Manazel Real Estate rose 4.6%, while The National Bank of Ras Al Khaimah was up 4.1%.

Kuwait: The Kuwait All Share Index gained marginally to close at 5,778.8. The Oil & Gas index rose 0.4%, while the Banks index gained 0.2%. Kuwaiti Syrian Holding Company rose 14.5%, while Gulf Franchising Holding Company was up 9.9%.

Oman: The MSM 30 Index fell 0.2% to close at 3,584.2. The Financial index declined 0.2%, while the Services index fell marginally. Muscat Finance declined 4.3%, while Gulf International Chemicals was down 2.9%.

Bahrain: The BHB Index gained 0.4% to close at 1,478.5. The Commercial Banks index rose 0.9%, while the other indices ended flat or in red. Ahli United Bank rose 1.6%, while Seef Properties was up 1.2%.

Market Indicators	12 Oct 20	11 Oct 20	%Chg.
Value Traded (QR mn)	421.6	530.4	(20.5)
Exch. Market Cap. (QR mn)	597,425.9	593,507.7	0.7
Volume (mn)	228.8	410.8	(44.3)
Number of Transactions	8,443	9,804	(13.9)
Companies Traded	46	43	7.0
Market Breadth	25:20	20:20	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,334.15	0.6	0.2	0.8	16.4
All Share Index	3,112.73	0.6	0.2	0.4	17.4
Banks	4,163.28	0.7	(0.1)	(1.4)	14.4
Industrials	2,983.55	0.4	0.3	1.8	25.8
Transportation	2,818.67	(0.2)	(0.5)	10.3	13.3
Real Estate	2,073.49	0.4	0.3	32.5	16.3
Insurance	2,252.23	2.5	3.2	(17.6)	32.8
Telecoms	927.18	0.1	(0.9)	3.6	15.6
Consumer	8,202.29	0.7	1.1	(5.1)	24.8
Al Rayan Islamic Index	4,224.14	0.4	0.5	6.9	18.6

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Samba Financial Group	Saudi Arabia	28.20	2.5	3,216.6	(13.1)
National Industrialization	Saudi Arabia	14.08	2.3	17,161.6	2.9
Emaar Malls	Dubai	1.47	2.1	3,145.8	(19.7)
National Comm. Bank	Saudi Arabia	39.25	1.9	5,778.7	(20.3)
Abu Dhabi Comm. Bank	Abu Dhabi	5.70	1.8	8,076.5	(28.0)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mabanee Co.	Kuwait	0.74	(1.7)	1,897.7	(13.3)
Jabal Omar Dev. Co.	Saudi Arabia	34.60	(1.7)	1,856.4	27.4
Kingdom Holding Co.	Saudi Arabia	8.16	(1.4)	1,348.0	8.1
Rabigh Refining & Petro.	Saudi Arabia	15.94	(1.4)	6,007.0	(26.4)
National Shipping Co.	Saudi Arabia	41.25	(1.3)	3,831.7	3.1

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 General Ins. & Reins. Co.	2.39	8.1	79.4	(2.8)
Ahli Bank	3.30	3.1	38.3	(1.0)
Qatar Industrial Manufacturing Co	3.37	1.9	39.1	(5.5)
Qatar Insurance Company	2.25	1.9	3,405.2	(28.8)
Qatar Fuel Company	17.95	1.5	564.6	(21.6)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	1.85	(1.7)	3,828.4	125.6
Medicare Group	9.27	(1.4)	1,797.8	9.7
Investment Holding Group	0.66	(1.2)	59,464.0	17.6
Alijarah Holding	1.30	(1.1)	9,518.2	85.0
Dlala Brokerage & Inv. Holding Co	2.12	(1.1)	1,620.6	246.5

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.66	(1.2)	59,464.0	17.6
Qatar Aluminium Manufacturing	1.08	0.1	37,307.4	38.4
Salam International Inv. Ltd.	0.72	0.6	25,117.4	38.3
Qatar Gas Transport Company Ltd.	2.69	(0.1)	11,084.1	12.6
United Development Company	1.82	0.9	9,693.4	19.5

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.10	1.3	42,319.3	(12.1)
Qatar Aluminium Manufacturing	1.08	0.1	40,405.3	38.4
Investment Holding Group	0.66	(1.2)	39,414.7	17.6
Masraf Al Rayan	4.21	0.2	38,189.5	6.3
Qatar Gas Transport Co. Ltd.	2.69	(0.1)	29,889.6	12.6

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*	10,056.95	0.6	0.2	0.7	(3.5)	114.33	161,902.4	16.4	1.5	3.9
Dubai	2,234.83	0.5	0.9	(1.7)	(19.2)	40.33	85,311.6	8.4	0.8	4.3
Abu Dhabi	4,532.82	0.9	0.5	0.3	(10.7)	103.99	185,256.3	16.5	1.3	5.4
Saudi Arabia	8,544.94	0.4	1.6	3.0	1.9	3,541.14	2,459,418.4	30.8	2.1	2.3
Kuwait	5,778.82	0.0	0.9	6.1	(8.0)	233.76	103,978.6	31.1	1.4	3.4
Oman	3,584.22	(0.2)	(0.6)	(0.8)	(10.0)	2.37	16,303.7	10.6	0.7	6.8
Bahrain	1,478.51	0.4	1.4	3.1	(8.2)	6.80	22,586.4	13.8	0.9	4.5

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any)

Qatar Market Commentary

- The QE Index rose 0.6% to close at 10,057.0. The Insurance and Banks & Financial Services indices led the gains. The index rose on the back of buying support from GCC and Foreign shareholders despite selling pressure from Qatari and Arab shareholders.
- Qatar General Insurance & Reinsurance Company and Ahli Bank were the top gainers, rising 8.1% and 3.1%, respectively. Among the top losers, Qatar First Bank fell 1.7%, while Medicare Group was down 1.4%.
- Volume of shares traded on Monday fell by 44.3% to 228.8mn from 410.8mn on Sunday. Further, as compared to the 30-day moving average of 362.6mn, volume for the day was 36.9% lower. Investment Holding Group and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 26.0% and 16.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	43.25%	53.00%	(41,120,608.6)
Qatari Institutions	17.31%	22.36%	(21,271,168.9)
Qatari	**60.56%**	**75.36%**	**(62,391,777.5)**
GCC Individuals	1.96%	0.78%	4,972,032.6
GCC Institutions	1.60%	0.09%	6,380,400.3
GCC	**3.57%**	**0.87%**	**11,352,432.9**
Arab Individuals	11.26%	12.24%	(4,130,089.5)
Arab	**11.26%**	**12.24%**	**(4,130,089.5)**
Foreigners Individuals	1.98%	2.92%	(3,947,717.3)
Foreigners Institutions	22.63%	8.61%	59,117,151.4
Foreigners	**24.62%**	**11.53%**	**55,169,434.1**

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

Ratings, Earnings Releases, Global Economic Data and Earnings Calendar

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
National Central Cooling Co.	Moody's	Abu Dhabi	LTR	–	Baa3	–	–	–

Source: News reports, Bloomberg (* LT R– Long Term Rating)

Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2020	% Change YoY	Operating Profit (mn) 3Q2020	% Change YoY	Net Profit (mn) 3Q2020	% Change YoY
Omani Euro Foods Industries*	Oman	OMR	1.1	-1.2%	–	–	(0.2)	N/A
National Biscuit Industries#*	Oman	OMR	3,678.0	14.5%	–	–	163.3	23.8%
Muscat City Desalination Co.*	Oman	OMR	12.8	0.4%	–	–	1.4	23.5%
Oman Chromite Co.#*	Oman	OMR	736.2	-56.2%	–	–	88.5	-64.9%
Sharqiyah Desalination Co.*	Oman	OMR	10.2	-2.5%	–	–	1.1	-25.0%
Musandam Power*	Oman	OMR	11.1	2.7%	–	–	3.1	34.7%
Al Kamil Power Co.*	Oman	OMR	5.1	-10.7%	2.0	0.2%	1.8	-42.9%
The Financial Corporation Co.#*	Oman	OMR	226.3	-25.0%	–	–	(322.5)	N/A
Packaging Co. Ltd.	Oman	OMR	6.8	-8.1%	–	–	0.5	145.7%
Acwa Power Barka*	Oman	OMR	41.0	1.9%	–	–	8.2	4.5%
Dhofar Generating Co.*	Oman	OMR	31.8	4.1%	–	–	1.8	28.2%
Renaissance Services	Oman	OMR	80.0	2.0%	10.5	22.4%	7.1	61.2%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands, *Financial for FY2019)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
10/12	Japan	Bank of Japan	PPI YoY	Sep	-0.8%	-0.5%	-0.6%
10/12	Japan	Bank of Japan	PPI MoM	Sep	-0.2%	0.0%	0.1%
10/12	India	India Central Statistical Organisation	CPI YoY	Sep	7.34%	6.9%	6.69%
10/12	India	India Central Statistical Organisation	Industrial Production YoY	Aug	-8.0%	-7.8%	-10.8%

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
QIBK	Qatar Islamic Bank	14-Oct-20	1	Due
ERES	Ezdan Holding Group	14-Oct-20	1	Due
IHGS	INMA Holding Group	18-Oct-20	5	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	19-Oct-20	6	Due
QEWS	Qatar Electricity & Water Company	19-Oct-20	6	Due
QIGD	Qatari Investors Group	19-Oct-20	6	Due
MCGS	Medicare Group	20-Oct-20	7	Due
WDAM	Widam Food Company	21-Oct-20	8	Due
QNNS	Qatar Navigation (Milaha)	21-Oct-20	8	Due
ABQK	Ahli Bank	21-Oct-20	8	Due
KCBK	Al Khalij Commercial Bank	22-Oct-20	9	Due
QGMD	Qatari German Company for Medical Devices	22-Oct-20	9	Due
CBQK	The Commercial Bank	25-Oct-20	12	Due
QCFS	Qatar Cinema & Film Distribution Company	25-Oct-20	12	Due
VFQS	Vodafone Qatar	26-Oct-20	13	Due
QIIK	Qatar International Islamic Bank	26-Oct-20	13	Due
DBIS	Dlala Brokerage & Investment Holding Company	26-Oct-20	13	Due
BLDN	Baladna	26-Oct-20	13	Due
QGRI	Qatar General Insurance & Reinsurance Company	27-Oct-20	14	Due
IGRD	Investment Holding Group	27-Oct-20	14	Due
QIMD	Qatar Industrial Manufacturing Company	27-Oct-20	14	Due
IQCD	Industries Qatar	27-Oct-20	14	Due
QISI	Qatar Islamic Insurance Group	27-Oct-20	14	Due
DHBK	Doha Bank	27-Oct-20	14	Due
QOIS	Qatar Oman Investment Company	28-Oct-20	15	Due
MPHC	Mesaieed Petrochemical Holding Company	28-Oct-20	15	Due
SIIS	Salam International Investment Limited	28-Oct-20	15	Due
DOHI	Doha Insurance Group	28-Oct-20	15	Due
QFBQ	Qatar First Bank	28-Oct-20	15	Due
MERS	Al Meera Consumer Goods Company	28-Oct-20	15	Due
ORDS	Ooredoo	28-Oct-20	15	Due
UDCD	United Development Company	28-Oct-20	15	Due
GISS	Gulf International Services	29-Oct-20	16	Due
NLCS	Alijarah Holding	29-Oct-20	16	Due
ZHCD	Zad Holding Company	29-Oct-20	16	Due
AKHI	Al Khaleej Takaful Insurance Company	29-Oct-20	16	Due
AHCS	Aamal Company	29-Oct-20	16	Due

Source: QSE

News

Qatar

- **GWCS signs an agreement –** Gulf Warehousing Company (GQCS) announced that it has signed agreement. GWCS announced that it has been awarded the opportunity to bid for Global Husbanding Services under the Multiple Award contract (MAC) Bearing reference no N68171-21-D-0013 by the NAVSUP Fleet Logistics Center (FLC) Sigonella. (QSE)
- **QGRI to disclose 3Q2020 financial statements on October 27 –** Qatar General Insurance & Reinsurance Company (QGRI) intends to disclose the 3Q2020 financial statements for the period ending September 30, 2020, on October 27, 2020. (QSE)
- **Ooredoo ONE in new promotion –** Ooredoo has announced a promotion for new customers signing up to its Ooredoo ONE plans until January 6, 2021, with a host of extra benefits. New customers signing up for an Ooredoo ONE plan will get a Smart Wi-Fi device for no extra charge and pay an installation charge of just QR100 instead of QR300. Total savings with the new promotion could add up to QR1,040, according to an Ooredoo statement yesterday. Ooredoo ONE is the telecom operator's all-in-one home service providing 'the fastest Internet speeds and the most extensive fiber Internet coverage in Qatar', with smart Wi-Fi provided by Ooredoo's smart Wi-Fi device. (Gulf-Times.com)
- **FNP makes switching to Vodafone Qatar's fixed services easy –** Customers in Qatar are successfully switching to Vodafone Qatar while keeping their existing fixed numbers with Fixed Number Portability (FNP). FNP makes it easy for customers to freely choose from among Vodafone Qatar's tailored solutions, without disruption to their fixed line service. Since the FNP service was launched nationwide earlier this year, Vodafone Qatar has successfully ported more than 2,000 business numbers to its network. Business customers switching to the Vodafone Qatar network gain exceptional benefits from being managed end-to-end. On top of existing fixed services like Corporate Internet, IP-VPN connectivity, Business Broadband, Managed Services, customers may now benefit from the best calling rates while keeping their existing fixed number when connecting their voice services (both IP voice and ISDN). Vodafone Qatar offers state-of-the-art services for a range of business requirements such as Internet of Things (IoT) solutions and Software Defined Network (SDN) connectivity services. (Qatar Tribune)
- **Al-Kaabi: Qatar to continue to strive to develop natural gas resources and lead the way in world's LNG value chain –** Qatar will continue to strive to develop its natural gas resources and lead the way in the world's LNG value chain, said HE the Minister of State for Energy Affairs, Saad Sherida Al-Kaabi. In a keynote speech delivered remotely at the start of the 9th Japan LNG Producer-Consumer Conference, held under the theme "Cooperation between producers & consumers, post-COVID-19", Al-Kaabi stressed on the importance of collaboration between LNG producers and consumers in order to achieve greater growth and prosperity. Al-Kaabi, also the President and CEO of Qatar Petroleum, highlighted the new realities brought about by a number of geopolitical events and developments of global impact, and by the consequences of an evolving pandemic. It is not a secret that COVID-19 has disrupted many aspects of our lives. In addition to the agonizing human toll, this virus has created painful realities that have also disrupted the growth and prosperity, which all countries had hoped to achieve. Minister Al-Kaabi also highlighted Qatar's resilient LNG industry stressing that, "During these challenging times, Qatari LNG continued to flow to all markets, thanks to the outstanding performance of our teams and facilities, and to the flexibility we have in our global LNG portfolio, market reach, and LNG fleet." In his keynote speech, Al-Kaabi gave an overview of Qatar's journey to becoming the world's leading LNG player and its expansion projects, and future growth plans. He said, "In 2017, we announced our intention to increase our LNG production capacity to 100mn tons per year. Such target was then increased in 2018 to 110mn tons per year, and again, as we obtained more data on the capability of our giant North Field, the target was increased in 2019 to 126mn tons per year by 2027. As history has shown, we do not expect to stop at 126mn. We continue to strive to develop our natural gas resources and lead the way in the world's LNG value chain." (Gulf-Times.com)
- **APICORP: Qatar to thrive as world's top LNG exporter well into next decade –** Qatar is expected to maintain its title as the world's top LNG (liquefied natural gas) exporter well into the next decade, according to Arab Petroleum Investments Corporation (APICORP). It is also expected that the FID (final investment decision) for the North Field Expansion (NFE) megaproject (estimated value at $50bn) would be pushed well into 2021, APICORP said in its latest report "MENA-Gas Petrochemical Investment Outlook 2020-24". Currently, Qatar Petroleum (QP) is the largest equity LNG holder in the world with ownership of stakes ranging from 63% and 70% in Qatargas combined projects (52.5mn tons per annum equity nameplate capacity). Over the last decade (2009-19) the Australian wave of new additions totaling about 88mtpa was followed by the 2015-19 US wave of new LNG trains spurred by the surge of associated gas from shale oil bonanza that added more than 45mtpa of export capacity by end of 2019. "Qatar has been increasingly facing stiff competition in the global LNG markets that it undisputedly dominated," it said. (Gulf-Times.com)
- **HSBC: Qatar's economic fundamentals show country 'primed' for future growth –** Qatar's economic fundamentals highlight the fact that it is a country primed for growth in the years ahead, according to HSBC Group's General Manager, Deputy Chairman and CEO, (Middle East, North Africa and Turkey - MENAT) region, Martin Tricaud. Qatar, Tricaud said, has long-established revenue streams, which have been reinforced by the decision to boost Liquefied Natural Gas (LNG) production capacity by 43% to meet rising global demand for cleaner energy. The monetary policy response to COVID-19 meanwhile has provided broad support to both the private and public sectors. At the same time, fiscal pressure is easing as peak outlays for the FIFA World Cup in 2022, which promises to be a great global moment for Qatar, have passed. He noted the COVID-19 pandemic has been a shock for the global economy and Qatar is not immune, although "we do see the country as being in a position of relative strength." HSBC economists forecast that the global economy will shrink by 4.1% in 2020

and that Qatar's GDP will contract by around 4.0% YoY. (Gulf-Times.com)

- **Expatriate workers start to arrive as Qatar eases restrictions placed on work visas –** After an interval of more than six months due to the COVID-19 situation, the flow of new migrant workers to Qatar has resumed. In line with the COVID-19 protocol, new recruitment of foreign workers to Qatar was stalled and the airport was shut in March. However, considering the growing demand for manpower, the government has started allotting visas for workers from selected countries since September. According to informed sources, the flow of migrant workers will steadily increase in the coming days to meet the requirements of the labor market that boomed after the partial lifting of pandemic restrictions. (Qatar Tribune)
- **Qatar Offers 3 Cargoes of Al-Shaheen Crude for December –** Qatar's QPSPP is offering three cargoes of Al-Shaheen crude for December 2-3, December 11-12 and December 29-30 loading, according to sources. Cargo sizes are of 500k barrels each. (Bloomberg)

International

- **IMF Chief: Climate change poses 'profound threat' to global growth –** Climate change poses a serious threat to global growth, the head of the International Monetary Fund said on Monday, urging the world's top emitters to agree on a floor for carbon prices. IMF Managing Director Kristalina Georgieva told finance ministers meeting on climate change that countries should also ensure that green investments are included in the money they are spending to contain the COVID-19 pandemic and mitigate its economic impact. Doing so, she said, could boost global GDP by 0.7% on average in the first 15 years of the recovery. "Even while we are in the midst of the COVID crisis, we should mobilize to prevent the climate crisis," Georgieva told a meeting of finance ministers from 52 countries working to integrate climate change into their economic policies. The group, launched in April 2019 and led by the finance ministers of Chile and Finland, met virtually Monday on the sidelines of the annual meetings of the IMF and World Bank. China and the US, the world's largest emitters of heat-trapping gases, are not part of the coalition. Together they account for 43% of the world's emissions. "The evidence is clear: Climate change is a profound threat to growth and prosperity. It is macro-critical. And macroeconomic policies are central to the fight against climate change," she said. Georgieva said IMF research showed that policy tools could help achieve net zero emissions by 2050 despite the pandemic, but it was imperative that countries earmarked some of the $12 trillion in fiscal stimulus toward green investments. (Reuters)
- **UN Chief urges development banks to stop financing fossil fuel projects –** United Nations Secretary-General Antonio Guterres on Monday urged development banks to stop backing fossil fuel projects, raising the pressure on the state-backed lenders ahead of a climate change summit France is hosting next month. Environmental campaigners have for years been demanding publicly-listed commercial banks in Europe, the US and Asia stop financing new coal-fired power stations, oil exploration or natural gas infrastructure. However, the world's development banks, whose backing is often crucial in determining whether such projects are viable, are also facing calls to starve the fossil fuel industry of finance. Guterres urged a virtual meeting of a coalition of finance ministers and economic policymakers from dozens of countries to ensure development banks phase out fossil fuel investments, rapidly scale up support for renewable energy, and back projects to help those most exposed to the impacts of climate change. France is hosting what it says is the first global meeting of all public development banks to discuss climate change, called the Finance in Common Summit, on November 12. (Reuters)
- **OECD: A collapse of global tax talks could cost $100bn –** The global economy could shed more than 1% of output if international talks to rewrite cross-border tax rules break down and trigger a trade war, the OECD said on Monday, after countries agreed to keep up negotiating to mid-2021. Nearly 140 countries agreed on Friday to extend talks, after the pandemic outbreak and US hesitation before the presidential election squashed hopes of reaching a deal this year. Public pressure is growing on big, profitable multinationals to pay their share under international tax rules after the COVID-19 pandemic strained national budgets, the countries said in an agreed statement. The aim is to update international tax rules for the age of digital commerce, in particular to discourage big Internet companies like Google, Facebook and Amazon from booking profits in low-tax countries like Ireland, regardless where their customers are. In the absence of a new international rulebook, a growing number of governments are planning their own digital services taxes, which has prompted threats of trade retaliation from the Trump administration. "The alternative to finding an agreement would be a trade war ... The last thing you want at this time with COVID-19 is to have to deal with further trade tensions," OECD Secretary General Angel Gurria told journalists. In such a worst-case scenario, trade disputes could knock global GDP back by more than 1%, the OECD, which has been steering the global tax talks, estimated in an impact assessment. Conversely, new rules for digital taxation and a proposed global minimum tax would increase global corporate income tax worldwide by 1.9% to 3.2%, or about $50bn to $80bn per year. That could reach $100bn when including an existing US minimum tax on overseas profits, amounting to 4% of global corporate income tax, the OECD said. Meanwhile, any drag on global growth would be no more than 0.1% in the long term. At the same time, new digital taxation rules would shift the right to tax $100bn in corporate profits to big consumer-market countries, largely at the expense of low-tax investment hubs where such profits currently get booked. (Reuters)
- **BoE asks banks how ready they are for sub-zero rates –** The Bank of England (BoE) asked banks on Monday how ready they are for zero or negative interest rates, following up its announcement last month that it was considering how to take rates below zero if necessary. Other central banks have pushed rates into negative territory in an attempt to spur banks to lend more, and the BoE said in September it was looking into what such a policy might mean in Britain. "As part of this work, we are requesting specific information about your firm's current readiness to deal with a zero Bank Rate, a negative Bank Rate, or a tiered system of reserves remuneration – and the steps that you would need to take to prepare for the implementation of these," Deputy BoE Governor Sam Woods said in a letter to banks. The BoE and lenders had to understand the implications

of any such moves "since the MPC may see fit to choose various options based on the situation at the time," he said, referring to the central bank's Monetary Policy Committee. Woods said he wanted to know if there were any technology challenges to implementing zero or negative rates. The BoE set a deadline of November 12 - a week after its next monetary policy announcement - for banks to respond. (Reuters)

- **Fall in UK shoppers slows as consumers adapt to new COVID-19 curbs –** The number of shoppers at British retail outlets fell only marginally last week as people got used to new measures to curb COVID-19 including a 10 p.m. closure of bars and restaurants, market researcher Springboard said on Monday. It said shopper numbers, or footfall, fell 0.3% in the week to October 10 from the week before. That compared with a fall of 3.5% in the previous week - the first complete week of the new curbs imposed by the government on hospitality outlets. Springboard said footfall rose 0.1% in high streets and 0.4% in shopping centres last week but declined 1.6% in retail parks. The YoY decline was 30.9%. However, the government is expected to announce later on Monday further restrictions on the hospitality industry, hitting the north of England hardest, following a spike in COVID-19 infections. Britain's retail and hospitality sectors, already struggling with high rents and business taxes, have been hammered by the coronavirus pandemic. Hundreds of closures and thousands of job losses have already been announced. (Reuters)
- **Japan's machinery orders extend gains as business spending stabilizes –** Japan's core machinery orders unexpectedly rose in August, extending gains and highlighting resilience in capital spending even as the economy remains under pressure from the coronavirus pandemic. The modest increase in core orders was a welcome sign of strength for the economy however, companies are still struggling from the hit to their corporate earnings. Core machinery orders, a highly volatile data series regarded as an indicator of capital spending in the coming six to nine months, grew 0.2% in August after a 6.3% rise in July. The rise, which was due to strong orders for general production machinery as well as petroleum and coal products, was better than a 1.0% contraction seen by economists in a Reuters poll. Also brightening the outlook, the government raised its assessment on orders to say they had stopped falling. However, analysts warn orders may turn negative again in the coming months as firms struggle with excess output capacity. By sector, orders from manufacturers shed 0.6%, while those from non-manufacturers lost 6.9%, the Cabinet Office data showed on Monday. Orders for cars and car parts rose for the third straight month in August, while those for chemicals and chemical products provided a big drag. Overseas orders, which are not included in core orders, rose their fastest since April 2014, jumping 49.6% from the previous month after posting a 13.8% gain in July. (Reuters)
- **Kuroda says BOJ ready to ease more, has tools to cushion pandemic pain –** Bank of Japan Governor Haruhiko Kuroda stressed on Monday his readiness to take additional monetary easing steps, saying the central bank had not run out of tools to cushion the economic blow from the COVID-19 pandemic. Kuroda said Japan's economy had hit the bottom in April-June and that the general picture looked "much better" than a few months ago, with exports, output and capital expenditure "fairly robust." But consumption, particularly for services, was quite weak and likely to stay so for some time, unless the world gets hold of an effective vaccine to contain COVID-19, he added. "We will closely monitor the impact of COVID-19 and not hesitate to take additional easing measures as necessary," Kuroda told an online seminar hosted by the Institute of International Finance. "The BOJ hasn't run out of policy tools. We have a lot of policy tools to counter (the damage from COVID-19). We are flexible, innovative when considering measures to take." Japan suffered its biggest economic slump on record in the second quarter as the pandemic crippled demand. Analysts expect any rebound to remain modest as fears of a big second wave of infections weigh on consumption. Kuroda said Japan's inflation rate would likely remain negative for some time as COVID-19 suppressed consumer demand "considerably". But he added that prices would likely rebound next year as the economy recovered. (Reuters)
- **Reuters Tankan: Japan manufacturers struggle to shake gloom in October –** The pessimism hanging over Japan's manufacturers lifted slightly in October, suggesting businesses were emerging from the coronavirus pandemic's heavy blow to activity and earnings but at a glacial pace. Some sub-manufacturing sectors, however, believed conditions would stabilize in the next few months, according to the monthly Reuters Tankan, which tracks the Bank of Japan's (BOJ) closely watched tankan quarterly survey. The result underlines the daunting task Prime Minister Yoshihide Suga, who rose to power last month, faces in reviving growth and bringing corporate and consumer sentiment back to levels seen before the COVID-19 crisis. In the poll of 485 large- and mid-sized companies, in which 251 firms responded on condition of anonymity, many complained about the slow pace of recovery from the economic crisis, reporting weakening orders and capital spending. The Reuters Tankan index readings are derived by subtracting the percentage of respondents who say conditions are poor from those who say they are good. A negative reading means that pessimists outnumber optimists. The Reuters Tankan sentiment index for manufacturers in October rose for the fourth straight month, coming in at minus 26 from minus 29 the previous month. The index has been in negative territory for 15 straight months. The service-sector index stood at minus 16, up from minus 18 in September, with sentiment among wholesalers, transport and utilities weighing on broad business confidence. The BOJ's latest "tankan" survey released on Oct. 1 showed Japanese business sentiment improved in July-September from a 11-year low hit three months earlier, in a sign economic activity was gradually recovering, though it also remained deeply negative. (Reuters)
- **China September exports rise 9.9% YoY, imports surge 13.2% –** China's exports in September rose 9.9% from a year earlier, and imports surged 13.2%, customs data showed. Analysts in a Reuters poll had forecast exports would increase 10% from year earlier after 9.5% growth in August. Imports were estimated to have edged up 0.3%, versus a contraction of 2.1% in August. China posted a trade surplus of $37bn last month, compared with the poll's forecast for a $58.00bn surplus and a $58.93bn surplus in August. (Reuters)

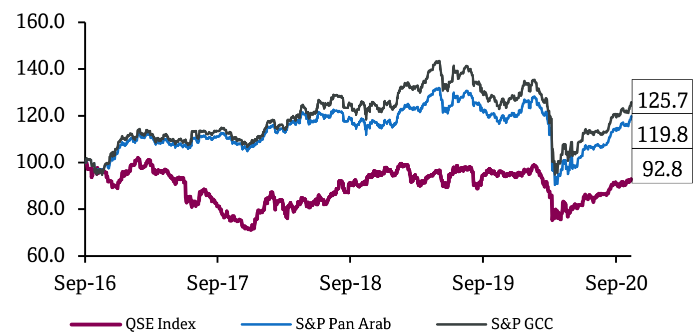
- **China 3Q Yuan-denominated exports rise 10.2% YoY, imports up 4.3% –** China's Yuan-denominated exports in the third quarter rose 10.2% from a year earlier, the customs agency said on Tuesday, while imports increased 4.3% on year. For the first nine months of the year, exports climbed 1.8% from the same period a year earlier, while imports dropped 0.6%, according to a statement from the agency ahead of a news conference in Beijing. (Reuters)
- **India announces economic stimulus to boost demand by $10bn –** India on Monday announced steps to stimulate consumer demand, including advance payment of a part of the wages of federal government employees during the festival season and more capital spending as it tries to bolster the pandemic-hit economy. The government will allow its employees to spend tax-exempt travel allowances on goods and services, Nirmala Sitharaman, India's finance minister told a news briefing. She said the government will also shore up investment by spending extra 250bn Rupees ($3.41bn)on roads, ports and defense projects, and offering 120bn Rupees in interest-free 50-year loans to state governments for spending on infrastructure before March 31, 2021. "All these measures are likely to create an additional demand of 730bn Rupees ($9.96bn)," Sitharaman said, adding the proposals would stimulate demand in a "fiscally prudent way." Prime Minister Narendra Modi's government, which imposed a tough lockdown to stem the spread of the coronavirus in March, is pushing ahead with a full opening to try to boost the economy ahead of the usually high-spending festival season, which runs from October to March. The latest package would not require any extra borrowing by the federal government, Tarun Bajaj, economic affairs secretary at the Ministry of Finance, told reporters. India's federal government said last month it would stick to revised borrowing target of 12tn Rupees ($163.78bn) in the current fiscal year ending March, against an earlier estimate of 7.8tn Rupees. India's total coronavirus cases have crossed 7.12mn, second only to the US, with deaths reaching 109,150. The Reserve Bank of India left key policy rates unchanged on Friday, while retaining an accommodative monetary stance to support an economy that is projected to contract by almost 10% in the current fiscal year. (Reuters)
- **India's retail inflation picks up in September as food prices soar –** India's retail inflation picked up in September to 7.34%, its highest level in eight months, as food prices surged ahead of the festival season, increasing chances of a further delay in a rate cut by the central bank to bolster the shrinking economy. September's annual retail inflation was much higher than the forecast of 6.88% in a Reuters's poll of economists and the previous month's 6.69%, government data showed on Monday. Retail inflation has remained above 4%, the middle-point of the Reserve Bank of India's (RBI) target of 2-6%, for a year. Economists said food prices soared due to a pickup in demand ahead of the festival season that runs from October to March, and supply-side disruptions caused by the coronavirus lockdown. They rose 10.68% in September compared to a rise of 9.05% in the previous month as prices of edible oil, meat and vegetables rose in a range of 13% to 21% from a year before, the data showed. Last week, the RBI left key policy rates unchanged amid fears of elevated inflationary pressure, while retaining an accommodative monetary stance to support an economy that is projected to contract by almost 10% in the current fiscal year. A central bank survey of households showed that inflation was likely to decline modestly over the next three months. Core inflation for September stood at 5.7%, according to two analysts approached by Reuters after the data release. Separately, data released on Monday showed India's industrial output contracted 8% in August from a year earlier. (Reuters)

Regional

- **GCC economies expected to bounce back to 3.3% growth in 2021 –** HSBC economists forecast that GCC economies will shrink on average by 5.5% YoY in 2020. The forecast is then for growth of 3.3% YoY in 2021, Chief Executive Officer for HSBC in the Middle East, North Africa and Turkey (MENAT), Martin Tricaud said. The strength of the region's underlying economic potential is most clearly seen from the perspective of investors. Bonds are being bought in record volumes, order books are many times oversubscribed, prices are extremely competitive, and maturities are extending – that only happens when investors have faith in the long term. The official league tables for debt issuance in the Middle East and North Africa (MENA) region, the figures reached an all-time first half high of $69.5bn between January and June 2020, up 26% on the same period in 2019. MENA M&A value recorded during the first half of 2020 hit $50.7bn. It is the third highest first half total of all-time after 2019's $112.7bn and 2007's $58.5bn. That would not be possible if investors did not believe in the long-term potential of the region. (Gulf-Times.com)
- **APICORP: Middle East Gas spend to rise despite price woes –** Investment in natural gas projects across the Middle East and North Africa (MENA) will rise, even as the coronavirus pandemic damps demand for the fuel, according to Arab Petroleum Investments Corp. Gas projects planned or under development in the region will require around $211bn in investment between 2020 and 2024, the multilateral lender said Monday in a statement. In its previous investment outlook, APICORP estimated that spending would total $185bn between 2019 and 2023. Expansion of output in Qatar, the biggest exporter of liquefied natural gas, will account for $22bn of planned investment, Saudi Arabia-based APICORP said. Iran and Saudi Arabia are set to see the most activity, with almost $90bn of planned and committed investment between them by 2024. Middle Eastern states are lining up new gas projects while cutting oil-related investments, though the pandemic has battered prices for both fossil fuels. This is partly because governments are promoting the use of gas to produce electricity instead of crude, a more polluting alternative. (Bloomberg)
- **UAE plans first federal bonds in 4Q2020 or early 2021 –** The UAE will likely issue its first federal bonds by the end of the year or in the first quarter of 2021, UAE newspaper Al Roeya said, citing a finance ministry official. The UAE permitted the federal government to begin issuing sovereign debt in 2018, which is usually sold by individual Emirates. Several Gulf governments have borrowed billions to plug finances hit by the coronavirus pandemic and weak oil prices. "There is a need to create a yield curve in the UAE dirham and fill the needs of the local bond market," Undersecretary at the ministry of finance, Younis Haji al Khoori told Al Roeya. (Bloomberg)

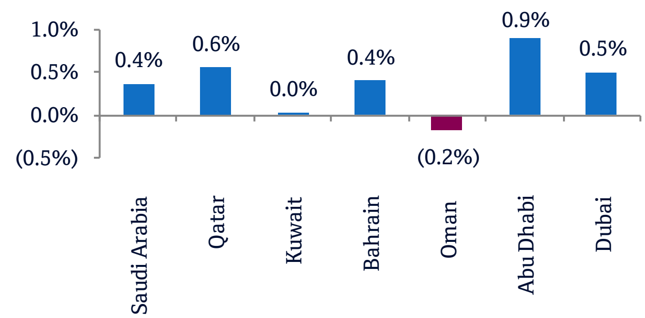
- **ICE says to launch ADNOC's Murban oil futures early in 2021 –** Intercontinental Exchange Inc. said on Monday it planned to launch ICE Futures Abu Dhabi (IFAD) and trading in Murban futures contracts late in the first quarter of 2021. Abu Dhabi National Oil Company (ADNOC) said last year its flagship Murban crude would be traded on a new local exchange, IFAD, that would be owned by Abu Dhabi, several oil firms and ICE, the home to trading in Brent crude LCOc1. "ICE Murban Futures will be a physically delivered contract with delivery at Fujairah in the UAE on a free on board (FOB) basis," ICE said in a statement. The contract "will be complemented with a range of cash settled derivatives which IFAD plan to launch for day one of trading," it added. The new contract will create an alternative benchmark to the most commonly used Middle East standard, the Dubai/Oman benchmark operated by the Dubai Mercantile Exchange (DME) and traded on CME's electronic platform. (Reuters)
- **Evotec to sell 11.5mn shares to Mubadala and Novo for EUR250mn –** Mubadala will invest EUR200mn to subscribe 9.2mn Evotec shares at EUR21.78 per share in the private placement; the shares being sold represent about 5.6% of outstanding shares. In addition, Evotec's existing shareholder Novo Holdings will invest EUR50mn to subscribe 2.3mn shares at a same share price, bringing its ownership to about 11.0%. Placement was made at 2.5% discount to the five-day volume weighted average price of EUR22.34. Company maintains its business outlook 2020 unchanged. (Bloomberg)
- **Fitch says Abu Dhabi's Tabreed may use debt sale for acquisition –** National Central Cooling Co. (Tabreed), may use its debt offering for acquiring cooling assets in Abu Dhabi, Fitch Ratings said. Tabreed mandated HSBC Holdings Plc and JPMorgan Chase & Co. to arrange a series of fixed-income investor calls starting Monday, according to sources. "Proceeds from notes issuance are intended to be used to acquire certain district cooling assets in Abu Dhabi and for general corporate purposes," Fitch said. The ratings company expects UAE-based Tabreed to reduce its dividend. (Bloomberg)
- **Oman's first-half revenue down 12.4% on lower oil prices –** Oman's revenue and spending dropped during the first half of the year due to lower oil prices and the coronavirus pandemic. Preliminarily figures showed total revenue down 12.4% to OMR4.8bn compared to a year ago, while spending fell 8.4%, Oman News Agency reported on Monday, citing the statistics service. The IMF expects Oman's budget shortfall to be among the highest in the Gulf at nearly 17% of GDP. Oil revenue fell 16.3% YoY to OMR2.6bn and gas revenue dropped 21.2% to OMR741mn. (Bloomberg)
- **Oman to introduce 5% VAT in six months –** Oman yesterday announced the introduction of 5% VAT on goods and services, to offset a slump in oil prices and an economic downturn exacerbated by coronavirus. The new tax, announced in a royal decree by the Sultanate of Oman, H M Sultan Haitham bin Tariq Al-Said begins after 180 days in April 2021, state television said. Certain products and services will be exempt, including rent, basic foodstuffs, school fees and public transport. Oman recorded an average annual growth of nearly 5% between 2008 and 2016. But growth then dropped sharply -- to 0.3% in 2017, 1.8% in 2018 and 0.5% in 2019 -- amid struggling oil production. Oman, which is to cut oil production under OPEC agreements, is the fourth country in the GCC, a traditional tax-free haven, to introduce Value Added Tax. (Peninsula Qatar)
- **BP starts Oman's giant Ghazeer gas field –** BP has started production at Oman's giant Ghazeer natural gas field, which is set to underpin the company's oil and gas output for years as it shifts to renewables. The London-based firm said Ghazeer, the second phase of the development of Block 61, started four months ahead of schedule. BP is in the midst of the largest overhaul in its history after Chief Executive Bernard Looney set out a path to shift rapidly towards renewable power and reduce BP's oil and gas production by 1mn bpd by 2030. But oil and gas is set to help pay for the move. "It is absolutely central for BP because it generates the funding allowing us to invest in new businesses and transform the company," BP Head of oil and gas operations, Gordon Birrell told Reuters. (Reuters)
- **Malaysia's Petronas starts production in Oman's Ghazeer gas field –** Malaysia's state energy firm Petronas on Monday announced the start of production from Phase 2 of its Ghazeer gas field located in Block 61, Oman, three years after the Khazzan gas field (Phase 1) was brought online. With Ghazeer, production capacity from Block 61 is expected to rise to 1.5bn cubic feet per day with more than 65,000 bpd of associated condensate, it said in a statement. Block 61 is operated by BP Exploration (Epsilon) Limited with a 60% participating interest. Petronas subsidiary, PC Oman Ventures Ltd, holds 10% while Makarim Gas Development LLC holds the remaining 30%, Petronas said. (Reuters)
- **Oman sells OMR57mn 28-day bills at yield of 0.652% –** Oman sold OMR57mn of 28-day bills due on November 11, 2020. The bills were sold at a price of 99.95, have a yield of 0.652% and will settle on October 14, 2020. (Bloomberg)
- **Bahrain sells BHD43mn 91-day Islamic Sukuk; bid-cover at 3.46x –** Bahrain sold BHD43mn of 91-day Islamic Sukuk due on January 13, 2021. Investors offered to buy 3.46 times the amount of securities sold. The Sukuk have a yield of 2.22% and will settle on October 14, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,922.77	(0.4)	(0.4)	26.7
Silver/Ounce	25.10	(0.2)	(0.2)	40.6
Crude Oil (Brent)/Barrel (FM Future)	41.72	(2.6)	(2.6)	(36.8)
Crude Oil (WTI)/Barrel (FM Future)	39.43	(2.9)	(2.9)	(35.4)
Natural Gas (Henry Hub)/MMBtu	2.34	57.0	57.0	12.0
LPG Propane (Arab Gulf)/Ton	52.00	(0.7)	(0.7)	26.1
LPG Butane (Arab Gulf)/Ton	60.75	(0.4)	(0.4)	(7.3)
Euro	1.18	(0.1)	(0.1)	5.4
Yen	105.33	(0.3)	(0.3)	(3.0)
GBP	1.31	0.2	0.2	(1.5)
CHF	1.10	0.1	0.1	6.5
AUD	0.72	(0.4)	(0.4)	2.7
USD Index	93.07	0.0	0.0	(3.4)
RUB	77.13	0.5	0.5	24.4
BRL	0.18	0.1	0.1	(27.3)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,477.92	1.2	1.2	5.1
DJ Industrial	28,837.52	0.9	0.9	1.0
S&P 500	3,534.22	1.6	1.6	9.4
NASDAQ 100	11,876.26	2.6	2.6	32.4
STOXX 600	373.00	0.6	0.6	(5.7)
DAX	13,138.41	0.6	0.6	4.5
FTSE 100	6,001.38	0.1	0.1	(21.6)
CAC 40	4,979.29	0.6	0.6	(12.4)
Nikkei	23,558.69	0.1	0.1	3.0
MSCI EM	1,137.17	1.3	1.3	2.0
SHANGHAI SE Composite	3,358.47	1.9	1.9	13.7
HANG SENG	24,649.68	2.2	2.2	(12.1)
BSE SENSEX	40,593.80	(0.3)	(0.3)	(4.5)
Bovespa#	97,483.30	0.0	0.0	(38.8)
RTS	1,162.91	(0.1)	(0.1)	(24.9)

Source: Bloomberg (*$ adjusted returns; #Market was closed on October 12, 2020)

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