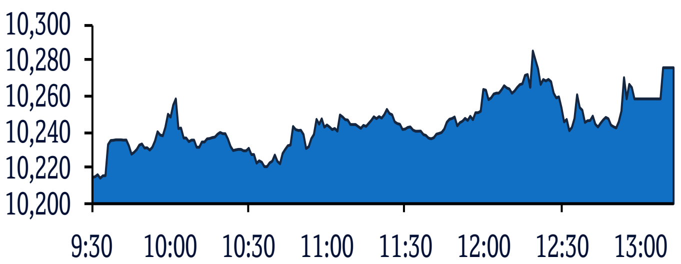
Daily Market Report

Thursday, 14 November 2019

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.5% to close at 10,277.2. Gains were led by the Insurance and Industrials indices, gaining 1.2% and 1.1%, respectively. Top gainers were Islamic Holding Group and Qatar General Insurance & Reinsurance Company, rising 6.1% and 4.4%, respectively. Among the top losers, Doha Insurance Group fell 6.4%, while Qatar Navigation was down 1.0%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.6% to close at 7,932.5. Losses were led by the Media & Ent. and Food & Staples indices, falling 2.3% and 1.5%, respectively. Abdullah Saad Mohammed declined 10.0%, while Thob Al Aseel Co was down 9.9%.

Dubai: The DFM Index fell 0.5% to close at 2,650.5. The Transportation index declined 2.1%, while the Insurance index fell 1.7%. Takaful Emarat Insurance declined 6.3%, while Amlak Finance was down 5.9%.

Abu Dhabi: The ADX General Index fell 0.1% to close at 5,069.8. The Energy index declined 0.9%, while the Real Estate index fell 0.5%. Union Insurance Company declined 10.0%, while Abu Dhabi Ship Building Company was down 4.7%.

Kuwait: The Kuwait All Share Index gained 0.2% to close at 5,742.0. The Consumer Goods and Financial Services indices rose 0.4% each. Umm Al Qaiwain General Inv. rose 15.9%, while Al-Madina for Finance and Investment Co. was up 11.6%.

Oman: The MSM 30 Index gained 0.3% to close at 4,066.1. The Industrial index gained 1.5%, while the Services index rose marginally. Raysut Cement rose 6.8%, while Oman Cement was up 3.9%.

Bahrain: The BHB Index gained marginally to close at 1,510.3. The Services index rose 0.2%, while the Commercial Banks index gained marginally. Bahrain Cinema Company rose 2.9%, while Bahrain Islamic Bank was up 2.6%.

Market Indicators	13 Nov 19	12 Nov 19	%Chg.
Value Traded (QR mn)	202.8	255.9	(20.8)
Exch. Market Cap. (QR mn)	566,660.2	564,320.3	0.4
Volume (mn)	63.9	86.1	(25.7)
Number of Transactions	6,034	7,227	(16.5)
Companies Traded	42	43	(2.3)
Market Breadth	29:7	14:22	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,910.97	0.5	0.0	4.2	14.9
All Share Index	3,027.04	0.4	(0.2)	(1.7)	14.9
Banks	4,048.00	(0.0)	(0.2)	5.7	13.6
Industrials	2,948.58	1.1	(0.6)	(8.3)	20.2
Transportation	2,601.23	0.7	(0.7)	26.3	13.9
Real Estate	1,485.17	0.4	0.4	(32.1)	11.2
Insurance	2,721.99	1.2	1.3	(9.5)	15.6
Telecoms	922.53	(0.0)	(0.1)	(6.6)	15.7
Consumer	8,553.32	0.9	0.5	26.7	19.0
Al Rayan Islamic Index	3,928.62	0.8	0.1	1.1	16.3

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Abu Dhabi Islamic Bank	Abu Dhabi	5.21	4.4	8,596.3	33.6
Mesaieed Petro. Holding	Qatar	2.56	2.8	1,960.7	70.3
Arab National Bank	Saudi Arabia	24.66	2.1	3,576.4	16.0
Qatar Gas Transport Co.	Qatar	2.50	1.6	2,051.4	39.4
National Bank of Oman	Oman	0.19	1.6	352.4	3.3

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Ind. Inv. Group	Saudi Arabia	21.34	(2.9)	569.3	(6.7)
Saudi Kayan Petrochem.	Saudi Arabia	10.34	(2.3)	4,030.4	(21.7)
Yanbu National Petro. Co.	Saudi Arabia	52.80	(2.2)	164.4	(17.2)
Abu Dhabi Comm. Bank	Abu Dhabi	7.63	(2.2)	2,490.6	(6.5)
National Industrialization	Saudi Arabia	12.24	(2.1)	3,224.0	(19.0)

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%
Islamic Holding Group	2.09	6.1	2,048.3	(4.3)
Qatar General Ins. & Reins. Co.	2.59	4.4	80.5	(42.3)
Mesaieed Petrochemical Holding	2.56	2.8	1,960.7	70.3
Gulf Warehousing Company	5.00	2.2	337.6	30.0
Qatar Islamic Insurance Company	7.00	2.2	2.0	30.3

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Doha Insurance Group	1.02	(6.4)	100.0	(22.1)
Qatar Navigation	6.14	(1.0)	303.8	(7.0)
Aamal Company	0.73	(0.7)	5,252.9	(17.3)
QNB Group	19.22	(0.4)	2,334.5	(1.4)
Mannai Corporation	3.12	(0.3)	357.1	(43.2)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.64	1.4	8,537.1	(50.6)
Qatar First Bank	0.31	1.6	6,041.5	(23.8)
Aamal Company	0.73	(0.7)	5,252.9	(17.3)
Qatari German Co for Med. Devices	0.62	1.3	4,184.0	9.2
Qatar International Islamic Bank	9.88	0.8	3,571.1	49.4

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.22	(0.4)	45,001.8	(1.4)
Qatar International Islamic Bank	9.88	0.8	35,169.9	49.4
The Commercial Bank	4.45	0.0	13,348.0	13.0
Qatar Fuel Company	22.56	1.2	10,984.1	35.9
Qatar Islamic Bank	15.30	0.2	10,530.8	0.7

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*	10,277.23	0.5	0.0	0.9	(0.2)	55.91	155,661.6	14.9	1.5	4.1
Dubai	2,650.46	(0.5)	(1.8)	(3.5)	4.8	47.15	99,107.9	10.3	1.0	4.4
Abu Dhabi	5,069.83	(0.1)	(1.2)	(0.7)	3.1	73.99	141,054.1	15.6	1.4	4.9
Saudi Arabia	7,932.52	(0.6)	1.7	2.4	1.4	833.66	499,231.8	20.4	1.8	3.8
Kuwait	5,741.99	0.2	0.8	0.4	13.0	58.17	107,416.6	14.3	1.3	3.7
Oman	4,066.11	0.3	0.6	1.7	(6.0)	7.05	17,499.8	7.5	0.8	7.4
Bahrain	1,510.29	0.0	(0.5)	(0.9)	12.9	1.17	23,554.9	11.3	0.9	5.2

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 0.5% to close at 10,277.2. The Insurance and Industrials indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Islamic Holding Group and Qatar General Insurance & Reinsurance Company were the top gainers, rising 6.1% and 4.4%, respectively. Among the top losers, Doha Insurance Group fell 6.4%, while Qatar Navigation was down 1.0%.
- Volume of shares traded on Wednesday fell by 25.7% to 63.9mn from 86.1mn on Tuesday. Further, as compared to the 30-day moving average of 68.8mn, volume for the day was 7.1% lower. Ezdan Holding Group and Qatar First Bank were the most active stocks, contributing 13.4% and 9.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	24.95%	21.02%	7,964,558.38
Qatari Institutions	21.26%	27.71%	(13,081,415.53)
Qatari	**46.21%**	**48.73%**	**(5,116,857.14)**
GCC Individuals	0.85%	1.14%	(601,436.98)
GCC Institutions	1.92%	7.49%	(11,291,706.86)
GCC	**2.77%**	**8.63%**	**(11,893,143.84)**
Non-Qatari Individuals	7.47%	9.37%	(3,867,748.64)
Non-Qatari Institutions	43.55%	33.25%	20,877,749.62
Non-Qatari	**51.02%**	**42.62%**	**17,010,000.98**

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

Ratings, Earnings Releases and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Boubyan Bank	S&P	Kuwait	LT-LIC/ LT-FIC	–	A/ A	–	Stable	–

Source: News reports, Bloomberg (* LT – Long Term, LIC – Local Issuer Credit, FIC – Foreign Issuer Credit)

Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2019	% Change YoY	Operating Profit (mn) 3Q2019	% Change YoY	Net Profit (mn) 3Q2019	% Change YoY
Damac Properties Dubai Co.	Dubai	AED	895.4	-42.0%	61.8	-76.0%	51.0	-77.9%
Al Firdous Holdings**	Dubai	AED	0.7	-29.7%	(3.3)	N/A	(4.4)	N/A
Amlak Finance	Dubai	AED	47.9	47.5%	–	–	(46.9)	N/A
Al Sagr National Insurance Co.	Dubai	AED	92.3	28.4%	–	–	5.7	1.7%
Emaar Malls	Dubai	AED	1,185.0	5.0%	645.9	9.7%	601.7	12.1%
National Cement Company	Dubai	AED	47.0	-19.7%	(9.2)	N/A	13.5	N/A
Fidelity United Insurance Co.	Abu Dhabi	AED	162.5	66.5%	–	–	1.2	N/A
Abu Dhabi National Takaful Co.	Abu Dhabi	AED	131.4	3.4%	–	–	13.9	-13.6%
Gulf Cement Co.	Abu Dhabi	AED	102.1	-20.0%	–	–	(4.7)	N/A
Emirates Insurance Co.	Abu Dhabi	AED	269.8	15.2%	–	–	11.4	-63.9%
National Marine Dredging Co	Abu Dhabi	AED	776.5	124.6%	–	–	49.3	6.1%
Al-Mazaya Holding Co.	Kuwait	KD	2.8	-8.6%	(0.1)	N/A	(5.0)	N/A
Solidarity Bahrain*	Bahrain	BHD	–	–	–	–	1.9	22.8%
GFH Financial Group	Bahrain	USD	90.5	27.1%	–	–	24.4	-21.0%
Delmon Poultry Company#	Bahrain	BHD	3,616.5	-7.0%	(42.1)	N/A	(53.9)	N/A
Bahrain National Holding Company	Bahrain	BHD	9.4	0.7%	–	–	1.8	82.3%
United Gulf Holding Company	Bahrain	BHD	20.9	-1.1%	–	–	0.7	-71.0%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands, *Financial for 9M2019, ** Financial for6M2019-20)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
11/13	US	Mortgage Bankers Association	MBA Mortgage Applications	8-Nov	9.6%	–	-0.1%
11/13	US	Bureau of Labor Statistics	CPI MoM	Oct	0.4%	0.3%	0.0%
11/13	US	Bureau of Labor Statistics	CPI YoY	Oct	1.8%	1.7%	1.7%
11/13	UK	UK Office for National Statistics	CPI MoM	Oct	-0.2%	-0.1%	0.1%
11/13	UK	UK Office for National Statistics	CPI YoY	Oct	1.5%	1.6%	1.7%
11/13	UK	UK Office for National Statistics	CPI Core YoY	Oct	1.7%	1.7%	1.7%
11/13	EU	Eurostat	Industrial Production SA MoM	Sep	0.1%	-0.2%	0.4%
11/13	EU	Eurostat	Industrial Production WDA YoY	Sep	-1.7%	-2.3%	-2.8%
11/13	Germany	German Federal Statistical Office	CPI MoM	Oct	0.1%	0.1%	0.1%

11/13	Germany	German Federal Statistical Office	CPI YoY	Oct	1.1%	1.1%	1.1%

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
11/13	Japan	Bank of Japan	PPI MoM	Oct	1.1%	1.2%	0.0%
11/13	Japan	Bank of Japan	PPI YoY	Oct	-0.4%	-0.3%	-1.1%
11/13	India	India Central Statistical Organisation	CPI YoY	Oct	4.62%	4.35%	3.99%

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

News

Qatar

- **QIIK concludes Sukuk issuance, more than nine times oversubscribed –** Qatar International Islamic Bank (QIIK) has announced the successful issuance of Additional Tier 1 Perpetual Sukuk of $300mn, which will be listed on the London Stock Exchange. The bank yesterday stated the order book exceeded $2.6bn, which meant it was oversubscribed nine times. It also saw the lowest pricing ever for an Additional Tier one issuance from the region. QIIK's Chairman and Managing Director, Sheikh Khalid bin Thani bin Abdullah Al Thani said, "Certainly, this success is attributable primarily to the strength of the Qatari economy, which enjoys great confidence on a global scale and the excellent management of the Qatar Central Bank in supervising the banking sector." He expressed his satisfaction with the popularity of QIIK Sukuk among investors from around the world as it provided assurances and indications that the fallout of the blockade was behind us and that we were able to earn great global confidence. QIIK's CEO, Abdulbasit Ahmad Al-Shaibei said, "The demand on our Sukuk exceeded expectations from investors, and includes more than 122 institutions from some 22 countries where the order book was nine times oversubscribed. Thus reflects confidence in the bank in particular, and the Qatari economy in general. The issue was priced at fixed rate of 4.875% a year, and this is the lowest pricing ever of this AT1 from the GCC. This is the first time that a Qatari bank has issued additional Tier one eligible as capital Sukuk in the international market. "The new Sukuk will help the bank strengthen its financial position and implement its future strategic plans. It will also help us strengthen our presence in the global financial markets and deepen ties with investors and institutions from around the world," Al-Shaibei noted. (Gulf-Times.com)
- **Qatar Petroleum announces 10-year LPG supply agreement with China's Wanhua Chemicals –** Qatar Petroleum has signed an agreement with Wanhua Chemical Group (Wanhua) for the sale of approximately 800,000 metric tons per year of liquefied petroleum gas (LPG) over a period of ten years. Wanhua, a petrochemical producer headquartered in Yantai in the Shandong province of North East China, signed the agreement, which commences in January 2020, with Qatar Petroleum for Sale of Petroleum Products Company (QPSPP). HE the Minister of State for Energy Affairs, Saad bin Sherida Al-Kaabi, also the President and CEO of Qatar Petroleum, said, "This agreement reflects our marketing strategy to increase direct sales of petroleum products with end-users, specifically in China. The Chinese LPG market continues to enjoy steady growth, and remains an important destination to Qatari energy exports. We look forward to further cementing our position in China's energy markets in general and the LPG markets in particular." He added, "Concluding this opportunity with Wanhua enhances our relationship which has been steadily building over the past years. Wanhua is growing into one of the most important players in the LPG industry, and we are proud to be associated with them through this opportunity." (Gulf-Times.com)
- **Qatar's cost of living declines 0.84% YoY in October –** Qatar's cost of living, based on Consumer Price Index (CPI) inflation, declined 0.84% YoY in October 2019 mainly on fall in the indices of clothing, recreation, transport and food and beverages, according to the official statistics. The country also witnessed a 0.83% decline in inflation on monthly basis, according to the figures released by the Planning and Statistics Authority (PSA). The International Monetary Fund, in its latest Article IV consultation with Qatar, stated inflation is projected to peak at 3.7% in 2020 with the introduction of a value added tax, but converge to 2% in the medium term. The index of Clothing and Footwear, which has 5.11% weightage in the CPI basket, plummeted 3.95% and 0.16% on yearly and monthly basis, respectively in October 2019. The index of Recreation and Culture, which have 12.68% weightage in the CPI basket, saw a 3.83% plunge YoY and 2.6% MoM this October. The index of Transport, which has 14.59% weightage, tanked 2.03% and 1.92% respectively on yearly and monthly basis, in October 2019. The sector has the direct linkage to the dismantling of administered prices in petrol and diesel. The index of Housing, water, electricity and other fuels – with a weight of 21.89% in the CPI basket – saw a 1.9% and 0.26% decline YoY and MoM respectively this October The CPI of October 2019 excluding "housing, water, electricity, gas and other fuels, declined 0.55% and 0.98% respectively. Food and beverages, which has a weight of 12.58% in the CPI basket, witnessed a 1.13% and 1.02% growth YoY and MoM respectively in October 2019. (Gulf-Times.com)
- **KPMG: Transition from LIBOR will impact banking and other sectors –** KPMG in Qatar held its latest seminar with industry leaders to discuss one of the single largest change events for the global financial markets, the transition away from London Interbank Offered Rate (LIBOR), which is due to take effect on January 1, 2022. The transition from LIBOR is expected to impact not only the banking sector but many other sectors in Qatar. KPMG's Head of Financial Services for the Middle East and South Asia, Omar Mahmood said, "LIBOR reform is a very relevant issue not only for banks but for all entities with exposure to this global reference rate, namely insurance companies, asset managers, corporates, and so forth. Furthermore, this is not an

issue restricted to the finance department, rather a matter which is relevant for all departments including risk, IT, operations, treasury and the business." Subject matter experts from KPMG's London office facilitated the discussion: Peter Rothwell, Partner and LIBOR reform leader and James Lewis, Director, who shared their insights and experience on the impacts of LIBOR transition. Peter Rothwell commented, "We are seeing more and more western banks taking a proactive approach to assessing the expected impact of the move away from LIBOR. While there is still a lack of clarity around the wider subject, there is a lot that banks can do early on to help ensure a smooth transition". (Peninsula Qatar)

- **Qatar plans new oil-pricing methodology for term supply sales –** State-owned Qatar Petroleum plans to use a new oil-pricing methodology for sales of its crude next year, according to customers who were notified directly by the company. Under the new methodology, official selling prices will be announced one month before cargoes load, according to sources. The new methodology will also price Qatari crude at a differential to regional benchmarks Oman and Dubai. The new approach will bring Qatar Petroleum in-line with other Middle East producers such as Saudi Aramco, Iraq's SOMO and Iran's NIOC. Qatar Petroleum has not finalized the exact timing for the implementation, sources added. (Bloomberg)
- **Indian LNG imports increased on more supply from Qatar –** India received a boost in liquefied natural gas arriving from Qatar in October at the recently expanded Dahej terminal, the country's largest import terminal. LNG imports to India reached 2.28 million metric tons in October, up 10% from September and 15% higher than a year ago. The biggest increase was at the Dahej terminal, up 11% from the previous month, which was largely attributed to an increase in Qatari supply. This was despite maintenance at the liquefaction plant bringing down total export volumes. (Bloomberg)

International

- **US government posts $134bn deficit in October –** The US government recorded $134bn budget deficit in October, the first month of the new fiscal year, the Treasury Department stated on Wednesday. That compared to a budget deficit of $100bn in the same month last year, according to the Treasury's monthly budget statement. Analysts polled by Reuters had forecasted $133bn deficit for the month. Unadjusted receipts last month totaled $246bn, down 3% from October 2018, while unadjusted outlays were $380bn, a rise of 8% from the same month a year earlier. The US government's fiscal year ends in September each year. Fiscal year 2019 saw a widening in the deficit to $984bn, the largest budget deficit in seven years, a result of the Trump administration's decision to cut taxes and increase government spending. When adjusted for calendar effects, the deficit for October remained at $134bn compared with an adjusted deficit of $113bn in October 2018. (Reuters)
- **US inflation firms on rising healthcare, energy costs –** The US consumer prices jumped by the most in seven months in October, which together with abating fears of a recession, support the Federal Reserve's signal for no further interest rate cuts in the near term. The report from the Labor Department on Wednesday showed healthcare costs surging by the most in more than three years and recreation posting its biggest gain since early 1996. But a moderation in rents suggested inflation would remain contained. The consumer price index increased 0.4% last month as households also paid more for energy products, food and other goods. That was the largest gain in the CPI since March and followed an unchanged reading in September. In the 12 months through October, the CPI increased 1.8% after climbing 1.7% in September. Economists polled by Reuters had forecasted the CPI advancing 0.3% in October and gaining 1.7% on a YoY basis. In October, energy prices vaulted 2.7% after falling 1.4% in the prior month. Energy prices, which were also driven by more expensive electricity, accounted for more than half of the increase in the CPI last month. (Reuters)
- **UK inflation dips to three-year low, adding to BoE rate cut talk –** British inflation fell to its lowest level in nearly three years in October, official data showed on Wednesday, adding to expectations that the Bank of England's (BoE) next move might be an interest rate cut. Consumer prices rose at an annual rate of 1.5%, lower than September's 1.7%, as a power regulator's tariff cap pushed down electricity and gas prices for 15mn homes. It was the lowest consumer price index reading since November 2016, the Office for National Statistics stated, giving households, whose spending has helped the economy through the Brexit crisis, a bit of a boost before next month's election. A Reuters poll of economists had pointed to a 1.6% increase. British government bond prices jumped, with the yield on 10-year gilts falling by more four basis points on the day. Manufacturers' raw material and energy costs fell by 5.1% in annual terms last month, their biggest slide since April 2016. The Reuters poll had pointed to a 4.9% fall. Manufacturers raised the prices they charged by an annual 0.8%, the weakest increase since August 2016. (Reuters)
- **Japan's economy nearly stalls in third-quarter, growth at one –** year low as trade war bites – Japan's economy ground to a near standstill in the third quarter with growth at its weakest in a year as the US-China trade war and soft global demand knocked exports, keeping pressure on policymakers to ramp up stimulus to bolster a fragile recovery. Private consumption also cooled from the previous quarter, casting doubt on the Bank of Japan's (BoJ) view that robust domestic demand will offset the impact from intensifying global risks. The world's third-largest economy grew an annualized 0.2% in the third quarter, slowing sharply from a revised 1.8% expansion in April-June, preliminary GDP data released by the government showed. It fell well short of a median market forecast for a 0.8% gain and marked the weakest growth since a 2.0% contraction in July-September last year. Private consumption grew 0.4% in July-September, slowing from a 0.6% increase in the previous quarter, despite stronger demand from households which sought to beat the October tax hike. Capital spending, a rare bright spot in the economy, rose 0.9% in the third quarter, accelerating from the previous three months. That helped domestic demand add 0.2 percentage point to growth. But external demand knocked 0.2 percentage points off GDP growth, as exports were hit by the protracted China-US trade war that has upended world supply chains and hurt the global economy. (Reuters)
- **China's economy grinds lower as October indicators miss forecasts –** China's industrial output grew significantly slower than expected in October, as weakness in global and domestic

demand and the drawn-out Sino-US trade war weighed on activity in the world's second-largest economy. Industrial production rose 4.7% YoY in October, data from the National Bureau of Statistics released showed, below the median forecast of 5.4% growth in a Reuters poll. Indicators showed other sectors also slowing significantly and missing forecasts with retail sales growth back near a 16-year trough and fixed asset investment growth the weakest on record. The disappointing economic data adds to the case for Beijing to roll out fresh support for the economy after China's economic growth slowed to its weakest pace in almost three decades in the third quarter as the bruising US trade war hit factory production. Broad activity in China's manufacturing sector remains weak with data on the weekend showing factory gate prices falling at their fastest pace in more than three years in October. Other data showed China's property investment growth in the first 10 months of the 2019 slowing YoY. The tariff war between China and the US has hit global demand, disrupted supply chains and upended financial markets. (Reuters)

- **Jobs at risk as China's services sector feels heat of trade war –** China's survey-based urban jobless rate climbed to 5.1% in October from 4.9% in April 2018, when the US and China began imposing tit-for-tat import tariffs, official data showed. Analysts have long been skeptical about the reliability of the employment numbers. China's services activity expanded at its weakest pace in over three years in October, according to an official survey, while a private survey showed growth hit a eight-month low. Annual services output growth of 7.2% in the third quarter was near the weakest level since the global financial crisis. (Reuters)
- **India's October retail inflation breaches RBI's medium-term target –** India's retail inflation breached the central bank's medium-term target of 4% in October for the first time in 15 months, on the back of higher food prices. Annual retail inflation rose to 4.62% last month, up from 3.99% in the prior month and higher than the 4.25% forecast in a Reuters poll of analysts. Retail food prices, which make up nearly half of India's inflation basket, increased 7.89% in October from a year earlier, against 5.11% in September. Prices of most vegetables climbed in October as monsoon downpours delayed harvests and disrupted supplies. That was despite a government ban on onion exports, a key component in the Indian diet. (Reuters)

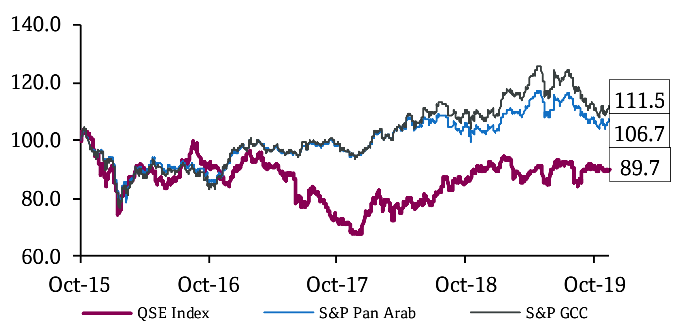
Regional

- **OPEC Chief says rival oil supply could underperform in 2020 –** US shale oil supply growth could slow down next year, OPEC's Secretary General, Mohammad Barkindo said in his latest indication that the oil market in 2020 could surprise to the upside. He said there would likely be downward revisions of supply going into 2020 especially from US shale, adding that some US shale oil firms see output growing by only around 300,000-400,000 bpd. "This is coming from the companies themselves, who are saying our (OPEC's) numbers are more optimistic. We are more optimistic than them. They expect a sharper deceleration. We are likely to see sharp revisions of non-OPEC supply going into 2020 particularly from the shale basins in the United States," he said. That would reduce a headwind that OPEC and its allies such as Russia have faced in their efforts to curb output and support the market. He also said that Saudi Arabia, OPEC's top producer and de facto leader, has reassured the exporting group that a stock market listing of Saudi Aramco would not affect the Kingdom's role in the group or commitment to output deals. He said he was confident that the OPEC and its allies would continue with a supply curb agreement in 2020 and that the fundamentals of the global economy remained strong. (Reuters)
- **Nigeria oil output 1.6-1.7mn bpd, in line with OPEC cut –** Nigeria is producing 1.6mn-1.7mn bpd of crude oil, the Chief Operating Officer of the Nigerian National Petroleum Corp, Roland Ewubare said, adding that the country would continue to comply with OPEC output cuts. "The last quota put us at 1.7mn bpd and we are committed to that threshold. Our current production with the cuts is between 1.6 and 1.7mn barrels per day for November," he said on the margins of an oil conference in the UAE. Nigeria's output of crude and condensate is at 2mn bpd, he said. The OPEC had granted Nigeria a higher output target under an OPEC-led deal to limit supply following efforts by Africa's largest exporter to tweak the agreement to accommodate its expanding oil industry. Nigeria started participating in the deal this year, having been granted an exemption from previous OPEC cuts due to militant attacks that reduced the country's output. (Reuters)
- **Saudi Aramco seeking to turn 40% of its crude into chemicals –** Saudi Aramco is seeking to turn 40% of its crude into chemicals. Demand for chemicals in Asia is growing 2-3 times faster than for oil, Saudi Aramco's Senior Vice President for downstream, Abdulaziz Al-Judaimi said. Saudi Aramco wants to develop a refinery in China that produces more chemicals than refined fuels. The company is trying to integrate refining with chemicals production and is processing crude in an ethylene cracker in Asia to make chemicals; Asia is the natural place for that because of growing demand. (Bloomberg)
- **APICORP invests in AKUH, supports development of Kuwait's oil & gas services sector –** Arab Petroleum Investments Corporation (APICORP), a multilateral development financial institution, announced its first equity investment in Kuwait with the acquisition of a 24% equity stake in Al Khorayef United Holding and GC-16 JV (AKUH), a leading Kuwait-based oil and gas services and facilities management company. The investment will see APICORP partnering with Al Khorayef Petroleum Company (APC), a subsidiary of Saudi-based Al Khorayef Group, and United Oil Projects (UOP) Kuwait, which also own stakes in AKUH. CEO of APICORP, Ahmed Attiga said: "We are pleased to mark our first equity investment in Kuwait, one of our member countries. We hope to enhance oil production and processing capabilities and encourage further investments, in line with the country's long term strategic vision for the sector. Working closely with our partners, we will look to broaden AKUH's future growth prospects. (Peninsula Qatar)
- **Emirates NBD sells 31mn Network International share at 515 pence per share –** Dubai's Emirates NBD Bank sells 31mn Network International share at 515 pence per ordinary shares via an accelerated book-build to institutional investors, raising gross proceeds of about GBP160mn. After the sale, the bank holds about 5.7% stake in Network International. No proceeds from placing will be received by Network International. Citi, JPMorgan and Morgan Stanely acted as joint bookrunners. In September, Emirates NBD placed 52.6mn shares in London-

listed Network International with institutional investors at 580 pence. (Bloomberg)

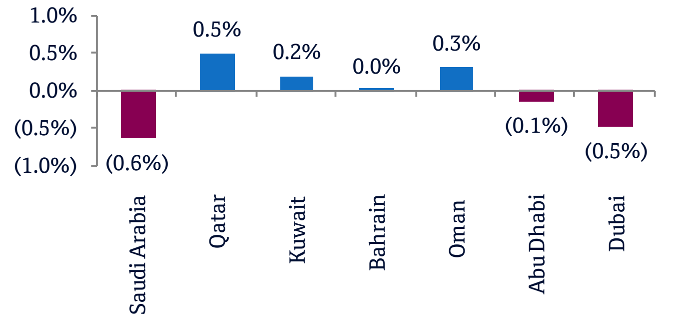
- **Oil is our gold and we aim to use all of it, ADNOC official says –** Abu Dhabi National Oil Co. (ADNOC) aims to exhaust its vast oil and gas reserves even as many consumers switch to cleaner sources of energy, a Senior Executive in the Gulf oil company said. The world's transition away from fossil fuel in an effort to slash greenhouse gas emissions is expected to accelerate in coming decades, leaving many oil companies and producing nations pondering their long-term future. However, for state-run ADNOC, the main oil-producing company in the UAE, which supplies nearly 3% of global oil demand, crude is set to remain the revenue backbone, ADNOC's upstream Executive Director, Abdulmunim Al-Kindy told Reuters. "Our oil is our gold," he said in an interview during the ADIPEC oil and gas conference in Abu Dhabi, capital of the UAE. "With the reserves we have, the challenge we have is monetizing it at the right time." To achieve that, ADNOC has undergone a drive to slash extraction costs to rival other major producers including OPEC heavyweights Saudi Arabia and Iraq. ADNOC has embarked on a broader transformation strategy since 2016, expanding its oil and gas business, listing one of its subsidiaries and overhauling its trading operations. (Reuters)
- **ADNOC invests $489mn to upgrade giant Bab onshore oilfield –** Abu Dhabi National Oil Co. (ADNOC) invests $489mn to upgrade giant Bab onshore oilfield. The investment will help sustain long-term crude oil production capacity, according to a company statement. ADNOC Onshore, a subsidiary of ADNOC and the operator of the field, to invest through a 39-month engineering, procurement and construction contract awarded to Archirodon Construction Overseas. The work aims to build facilities to sustain the field's long-term crude production capacity at 485k bpd. Expansion of the Bab field comes two years after ADNOC Onshore awarded a contract to increase field's capacity to 450k bpd by 2020 from 420k bpd currently. (Bloomberg)
- **Total, ADNOC team up on automated seismic-acquisition system –** Total and Abu Dhabi National Oil Co. (ADNOC) will use autonomous drones and a ground vehicle to drop off and retrieve seismic sensors without human intervention, the French company stated. The pilot project, planned for onshore exploration and appraisal campaigns in Abu Dhabi, is expected to reduce costs. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,463.55	0.5	0.3	14.1
Silver/Ounce	16.98	1.2	1.1	9.6
Crude Oil (Brent)/Barrel (FM Future)	62.37	0.5	(0.2)	15.9
Crude Oil (WTI)/Barrel (FM Future)	57.12	0.6	(0.2)	25.8
Natural Gas (Henry Hub)/MMBtu	2.66	(2.9)	(7.3)	(16.5)
LPG Propane (Arab Gulf)/Ton	53.38	0.9	4.1	(16.6)
LPG Butane (Arab Gulf)/Ton	75.75	1.8	13.1	9.0
Euro	1.10	(0.0)	(0.1)	(4.0)
Yen	108.82	(0.2)	(0.4)	(0.8)
GBP	1.29	0.0	0.6	0.8
CHF	1.01	0.3	0.7	(0.9)
AUD	0.68	(0.0)	(0.4)	(3.0)
USD Index	98.37	0.1	0.0	2.3
RUB	64.34	0.2	0.8	(7.7)
BRL	0.24	(0.0)	(0.2)	(6.9)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,268.33	(0.1)	(0.0)	20.4
DJ Industrial	27,783.59	0.3	0.4	19.1
S&P 500	3,094.04	0.1	0.0	23.4
NASDAQ 100	8,482.10	(0.0)	0.1	27.8
STOXX 600	405.86	(0.4)	(0.1)	15.4
DAX	13,230.07	(0.5)	(0.2)	20.5
FTSE 100	7,351.21	(0.3)	0.4	10.1
CAC 40	5,907.09	(0.3)	0.1	19.9
Nikkei	23,319.87	(0.6)	0.0	18.2
MSCI EM	1,043.83	(1.1)	(2.0)	8.1
SHANGHAI SE Composite	2,905.24	(0.6)	(2.4)	14.1
HANG SENG	26,571.46	(1.9)	(4.0)	2.8
BSE SENSEX	40,116.06	(1.3)	(1.7)	7.5
Bovespa	106,060.00	(1.1)	(2.2)	11.7
RTS	1,437.85	(0.8)	(2.1)	34.5

Source: Bloomberg (*$ adjusted returns)

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