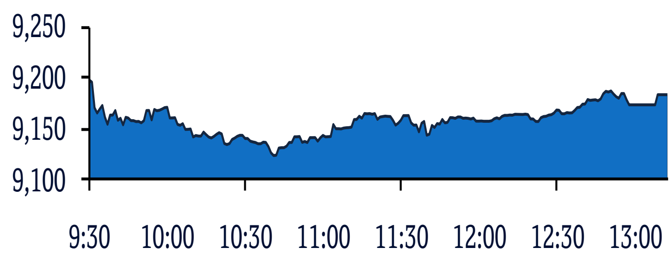
Daily Market Report

Monday, 15 June 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.5% to close at 9,184.9. Losses were led by the Industrials and Telecoms indices, falling 1.5% and 1.1%, respectively. Top losers were Islamic Holding Group and Qatar Electricity & Water Company, falling 4.4% and 2.0%, respectively. Among the top gainers, Al Meera Consumer Goods Company gained 5.7%, while Ezdan Holding Group was up 4.7%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.2% to close at 7,292.5. Losses were led by the Food & Beverages and Pharma, Biotech indices, falling 1.4% and 1.3%, respectively. Filing & Packing Materials declined 2.8%, while Almarai Co. was down 2.4%.

Dubai: The DFM Index fell 0.5% to close at 2,091.9. The Investment & Financial Services index declined 3.3%, while the Banks index fell 0.6%. Dubai Investments declined 4.8%, while Al Salam Sudan was down 4.6%.

Abu Dhabi: The ADX General Index fell 0.4% to close at 4,276.4. The Investment & Financial Services index declined 2.3%, while the Energy index fell 1.5%. Reem Investments declined 5.0%, while Gulf Cement Co. was down 4.8%.

Kuwait: The Kuwait All Share Index fell 2.7% to close at 4,951.6. The Banks index declined 3.2%, while the Basic Materials index fell 3.1%. Alargan International Real Estate declined 15.1%, while Commercial Real Estate Company was down 9.9%.

Oman: The MSM 30 Index gained 0.2% to close at 3,520.1. Gains were led by the Financial and Industrial indices, rising 0.1% each. United Power Company rose 9.8%, while Al Omaniya Financial Services was up 3.9%.

Bahrain: The BHB Index fell 0.5% to close at 1,274.2. The Commercial Banks and Services indices declined 0.7% each. APM Terminals Bahrain declined 7.6%, while Ahli United Bank was down 1.3%.

Market Indicators	14 Jun 20	11 Jun 20	%Chg.
Value Traded (QR mn)	247.9	298.1	(16.8)
Exch. Market Cap. (QR mn)	521,148.6	523,228.4	(0.4)
Volume (mn)	158.4	185.0	(14.4)
Number of Transactions	5,063	6,982	(27.5)
Companies Traded	44	46	(4.3)
Market Breadth	13:27	15:25	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,657.59	(0.5)	(0.5)	(8.0)	14.5
All Share Index	2,845.70	(0.5)	(0.5)	(8.2)	15.2
Banks	3,960.31	(0.5)	(0.5)	(6.2)	13.0
Industrials	2,582.14	(1.5)	(1.5)	(11.9)	20.5
Transportation	2,649.52	(0.0)	(0.0)	3.7	12.8
Real Estate	1,450.96	1.3	1.3	(7.3)	14.3
Insurance	2,046.79	0.4	0.4	(25.2)	33.7
Telecoms	872.29	(1.1)	(1.1)	(2.5)	14.7
Consumer	7,427.37	0.0	0.0	(14.1)	19.0
Al Rayan Islamic Index	3,683.04	0.0	0.0	(6.8)	17.0

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Abu Dhabi Comm. Bank	Abu Dhabi	5.11	2.2	2,671.1	(35.5)
Mouwasat Medical Serv.	Saudi Arabia	89.00	2.1	256.9	1.1
Saudi Industrial Inv.	Saudi Arabia	20.12	1.4	866.0	(16.2)
Saudi Cement Co.	Saudi Arabia	52.50	1.4	841.3	(25.1)
Sahara Int. Petrochemical	Saudi Arabia	14.36	1.1	2,693.5	(20.0)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Bank of Kuwait	Kuwait	0.77	(4.0)	7,672.0	(24.9)
Kuwait Finance House	Kuwait	0.59	(3.8)	20,069.9	(20.2)
Boubyan Bank	Kuwait	0.49	(3.8)	1,562.3	(20.2)
Mobile Telecom. Co.	Kuwait	0.54	(3.6)	4,598.2	(9.5)
Ahli United Bank	Kuwait	0.25	(3.1)	1,642.3	(22.6)

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%
Al Meera Consumer Goods Co.	19.14	5.7	867.9	25.1
Ezdan Holding Group	0.92	4.7	59,735.9	49.6
United Development Company	1.27	4.1	19,444.3	(16.7)
Gulf Warehousing Company	5.27	4.1	37.8	(3.9)
Qatar Aluminium Manufacturing	0.72	2.1	17,420.9	(7.8)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.92	4.7	59,735.9	49.6
United Development Company	1.27	4.1	19,444.3	(16.7)
Qatar Aluminium Manufacturing	0.72	2.1	17,420.9	(7.8)
Mazaya Qatar Real Estate Dev.	0.75	0.1	9,857.3	4.7
Alijarah Holding	0.73	(0.4)	6,781.1	4.0

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Islamic Holding Group	2.71	(4.4)	3,636.5	42.4
Qatar Electricity & Water Co.	15.94	(2.0)	777.1	(0.9)
Gulf International Services	1.55	(2.0)	247.0	(9.8)
Industries Qatar	8.25	(1.8)	257.6	(19.8)
Medicare Group	6.80	(1.5)	494.2	(19.5)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Ezdan Holding Group	0.92	4.7	54,414.2	49.6
United Development Company	1.27	4.1	24,455.1	(16.7)
Masraf Al Rayan	3.86	(0.8)	20,285.8	(2.6)
Al Meera Consumer Goods Co.	19.14	5.7	16,247.0	25.1
Qatar Aluminium Manufacturing	0.72	2.1	12,383.4	(7.8)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,184.86	(0.5)	(0.5)	3.8	(11.9)	67.76	142,273.6	14.5	1.4	4.4
Dubai	2,091.86	(0.5)	(0.5)	7.5	(24.3)	64.16	80,107.5	6.3	0.7	4.5
Abu Dhabi	4,276.40	(0.4)	(0.4)	3.3	(15.7)	21.00	131,967.3	13.3	1.3	6.0
Saudi Arabia	7,292.54	(0.2)	(0.2)	1.1	(13.1)	70,298.57	2,184,511.7	22.1	1.8	3.5
Kuwait	4,951.57	(2.7)	(2.7)	(0.9)	(21.2)	142.01	94,292.9	14.5	1.1	3.9
Oman	3,520.05	0.2	0.2	(0.7)	(11.6)	2.23	15,337.7	9.8	0.8	6.8
Bahrain	1,274.24	(0.5)	(0.5)	0.4	(20.9)	5.64	19,396.4	9.2	0.8	5.5

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 declined 0.5% to close at 9,184.9. The Industrials and Telecoms indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Islamic Holding Group and Qatar Electricity & Water Company were the top losers, falling 4.4% and 2.0%, respectively. Among the top gainers, Al Meera Consumer Goods Company gained 5.7%, while Ezdan Holding Group was up 4.7%.
- Volume of shares traded on Sunday fell by 14.4% to 158.4mn from 185.0mn on Thursday. Further, as compared to the 30-day moving average of 223.2mn, volume for the day was 29.1% lower. Ezdan Holding Group and United Development Company were the most active stocks, contributing 37.7% and 12.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	44.98%	50.86%	(14,578,428.71)
Qatari Institutions	35.55%	25.88%	23,992,725.83
Qatari	**80.53%**	**76.74%**	**9,414,297.12**
GCC Individuals	1.43%	1.12%	773,453.95
GCC Institutions	0.19%	0.63%	(1,109,131.99)
GCC	**1.62%**	**1.75%**	**(335,678.04)**
Non-Qatari Individuals	14.34%	16.26%	(4,754,020.81)
Non-Qatari Institutions	3.50%	5.24%	(4,324,598.27)
Non-Qatari	**17.84%**	**21.50%**	**(9,078,619.08)**

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

News

Qatar

- **QNB Group and Mastercard undertake first successful international Mastercard transaction in Sudan** – QNB Group, the largest financial institution in the Middle East and Africa, becomes the first bank in Sudan to have successfully performed an international payment card transaction in partnership with Mastercard, a global technology company in the payments industry. The transaction was performed using a Mastercard virtual prepaid card product. QNB is also the first Bank in Sudan to have obtained an issuance license from Mastercard. The first successful international prepaid card transaction was performed on 14 June 2020 and it marks an important and historic milestone for QNB and Mastercard's strategic plans in Sudan and across Africa. Through this partnership, QNB will issue and accept the Mastercard-branded payment cards in Sudan, allowing more people and businesses across the country to enjoy more convenient, secure and easy to use ways to pay locally and globally. The QNB Mastercard product is a secure and innovative digital payment solution that is accepted globally, including e-commerce websites. Based in the capital, Khartoum, QNB Sudan's first branch was established in 2008. The bank provides a number of personal banking services and products, along with various business banking solutions. QNB Group's presence through its subsidiaries and associate companies extends to more than 31 countries across three continents, providing a comprehensive range of advanced products and services. (QNB Group News Release)
- **QGMD postpones the third date of EGM to July 15 –** Qatari German Company for Medical Devices (QGMD) has postponed the third date of Electronic Extraordinary General Assembly meeting (EGM) to add new items that will be disclosed later as per related bylaws. The EGM will be held electronically on July 15, 2020 at 4:30 pm at the company's headquarter instead of June 17, 2020. (QSE)
- **Ooredoo sees strong demand for its cybersecurity solutions amid COVID-19 pandemic –** Ooredoo announced yesterday that it is seeing strong demand for its industry-leading cybersecurity solutions to facilitate secure remote working and business continuity amid the COVID-19 pandemic. With an unprecedented number of employees now working remotely, risks to cybersecurity have never been higher, Ooredoo said. Internet access from outside business premises could permit damage to data centers, websites, and consumer applications and, by extension, to enterprise reputations and resilience. Qatar's leading cybersecurity provider covers all established threats to data and business operations – phishing, malware, website defacement and more – with a range of innovative solutions. Ooredoo's Managed Security Services and Security Operation Centre monitors and protects business assets 24/7, with teams ready to respond rapidly and locally to such problems as unauthorized outbound data transfers. Ooredoo Cloud Web Security aims to keep workforces' IT assets safe outside their established secure networks, as deployed at their workplaces. Ooredoo, partnered with Akamai, uses the secure Enterprise Application Access solution to maximize productivity through an identity-aware proxy in the Cloud. The partners also distribute the Enterprise Threat Protector, which supplies Malware Protection using DNS Security. Ooredoo and Akamai offer Cloud Web Application Firewall (Cloud WAF), which resists application and DDoS attacks. (Gulf-Times.com)
- **Qatar cost of living on a downswing in May –** Qatar's cost of living, based on consumer price index (CPI) was on a downswing this May both YoY and MoM, apparently reflecting the price freeze due to Ramadan and lower demand owing to COVID-19-related social distancing measures, according to the Planning and Statistics Authority (PSA). Qatar's CPI inflation fell 3.12% and 0.58% on yearly and monthly basis respectively in May 2020, according to figures released by the PSA. The index of recreation and culture sector, which has 11.13% weight in the CPI basket, plunged 10.77% YoY, but flat MoM in May this year. The index of transport, which has a 14.59% weight, tanked 6.11% and 1.24% on yearly and monthly basis respectively in May this year. The sector has the direct linkage to the dismantling of administered prices in petrol and diesel. In May

2020, the price of super gasoline witnessed a YoY and MoM decrease of 48% and 19% respectively; premium by 44% and 20% and diesel by 46% and 19%. The index of housing, water, electricity and other fuels – with a weight of 21.17% in the CPI basket – saw 3.94% and 0.36% fall YoY and MoM respectively in May this year. The CPI of May 2020 excluding - housing, water, electricity, gas and other fuels – fell 2.81% YoY and 0.64% MoM. Communication, which carries 5.23% weight, saw its group index shrank 3.26% on yearly basis but treaded a flat course on monthly basis in May 2020. (Gulf-Times.com)

- **Phase 1 of lifting COVID-19 curbs begins today –** A number of activities are set to resume in the country today as the first phase of the gradual lifting of COVID-19 restrictions gets underway. The authorities concerned have put in place several precautionary and preventive measures that the public, commercial entities, healthcare facilities and other service providers need to follow to ensure everyone's safety. These include wearing a face mask, installing, and activating the Ehteraz application on the smartphone, and maintaining social distancing, among others. As per an announcement by the Supreme Committee for Crisis Management recently, Phase 1 will see the restricted opening of mosques, excluding Friday prayers. The use of personal boats will also be allowed in this phase. There will be also restricted park opening for outdoor activities. Professional training will be allowed in outdoor areas/large open spaces only for no more than five people. Private healthcare facilities can operate at 40% capacity during this phase. Emergency services will continue. Phase 1 will also see the partial opening of shops in malls. Shops with a minimum area of 300sq m will open, but visitors will be allowed only up to 30% of the capacity. Also, 20% of employees will be allowed at the workplace in this phase subject to strict health precautions. (Gulf-Times.com)
- **Education City Stadium becomes third completed Qatar 2022 venue –** The Supreme Committee for Delivery & Legacy (SC) and Qatar Foundation (QF) have announced the completion of the third tournament venue for the FIFA World Cup Qatar 2022. Located in the heart of Education City – Qatar's education, research and innovation hub – the 40,000-capacity Education City Stadium is slated to host matches up to the quarter-finals stage during the tournament. The stadium's completion will be marked digitally on the SC's social media platforms, in light of the current COVID-19 pandemic, and via special 60-minute programs in both Arabic and English on beIN SPORTS on Monday night. (Qatar Tribune)

International

- **England's shops back in business as lockdown eased –** After 83 days of coronavirus lockdown, non-essential stores in England reopen their doors on Monday, hoping to get the tills ringing again and start a long road to recovery. The stores have been closed since March 23 when Prime Minister Boris Johnson imposed a lockdown to stem the spread of the virus. While outdoor markets and car showrooms reopened on June 1, Monday will be the big return to business for retailers. It only applies to England, with stores in Scotland and Wales waiting for guidance from their devolved administrations on when they can resume trading. Non-essential stores in Northern Ireland reopened on Friday. Getting shoppers spending again is key to Britain's recovery after official data on Friday showed the economy shrank by a quarter over March and April. The British Retail Consortium reckons the lockdown has cost non-food stores 1.8bn Pounds ($2.3bn) a week in lost revenues. Stores will look very different from before the lockdown as they will have to observe hygiene and social distancing regulations. Shoppers face queues outside, restricted numbers inside and limitations on trying products. Some chains are reopening all their English stores, while others are taking a phased approach. (Reuters)
- **Visitors to UK shops remained more than 80% lower in May –** Numbers of shoppers in Britain's high streets, retail parks and shopping centers in May were 81.6% lower that the same month a year ago as most non-food stores remained closed due to the coronavirus lockdown, the British Retail Consortium (BRC) said. The footfall data showed a slight improvement on the 84.7% decline seen in April as some garden centers and homeware shops reopened during May. Other non-essential stores can open their doors on Monday as long as they are able to comply with social distancing rules. Prime Minister Boris Johnson, keen to see the UK economy start recovering from a coronavirus hammering, said on Sunday he was "very optimistic" about stores reopening. "I think people should shop and shop with confidence but they should of course observe the rules on social distancing and do it safely as well," he said after touring the Westfield Stratford City shopping mall in east London. BRC Chief Executive Helen Dickinson cautioned that the reopening of non-essential shops was unlikely to bring immediate relief for retailers who had been under immense pressure for three months. "A mix of low consumer confidence and limits on the number of people able to enter stores mean that many shops will continue to suffer lower footfall – and lower sales – for some time to come," she said. (Reuters)
- **Britain reviews distancing rule for next stage of easing lockdown –** Britain is reviewing its two-meter social distancing rule ahead of the next stage of lockdown easing planned for July 4, when bars, restaurants and hairdressers could reopen in England, Prime Minister Boris Johnson said on Sunday. Progress in tackling the coronavirus pandemic had created "room for manoeuvre" on the rule, which many employers have said will make it harder to get back up to speed, Johnson said at an east London shopping Centre preparing to reopen next week. Britain has reported the third highest number of coronavirus deaths after the US and Brazil, something critics of the government say reflects its response to the crisis. Johnson's Conservative Party government, which says it has followed scientific advice in its handling of the pandemic, faces the difficult balancing act of reviving the economy without allowing a second wave of cases. (Reuters)
- **Germany earmarks 500mn Euros to boost training –** Germany plans to make 500mn Euros ($563mn) available to firms to prevent a collapse in company training and apprenticeships due to the coronavirus crisis, a document seen by Reuters on Sunday showed. Chancellor Angela Merkel's government has already agreed two stimulus packages totaling 880bn Euros to mitigate the impact of a lockdown to contain the pandemic as Europe's biggest economy braces for its worst recession since World War Two. "We must prevent the COVID-19 crisis from turning into a crisis for the professional future of young people and for securing

skilled workers," said an outline of the plan, due to be approved by Merkel's cabinet on Wednesday. The program includes a training bonus of up to 3,000 Euros for small and mid-sized companies that have been hit hard by the crisis. Aid will also be available to firms that avoid putting apprentices on a short-time work scheme or if they take on trainees from insolvent firms. (Reuters)

- **Macron: France must seek greater economic independence after virus –** President Emmanuel Macron said on Sunday he was accelerating France's exit from its coronavirus lockdown and that the crisis had laid bare the country's need for greater economic independence. In a televised address to the nation, Macron promised that the 500bn Euro cost of keeping companies afloat and people in jobs during the worst downturn since World War Two would not be passed to households through higher taxes. Restaurants and cafes in Paris will be allowed to reopen fully from Monday, he said, the same day France lifts restrictions at its borders for European Union travelers, bringing sorely needed relief for the hospitality industry. He said the coronavirus pandemic had exposed the "flaws and fragility" of France's, and more broadly Europe's, over-reliance on global supply chains, from the car industry to smart phones and pharmaceuticals. "The only answer is to build a new, stronger economic model, to work and produce more, so as not to rely on others," Macron said. (Reuters)
- **China's May factory output rises less than expected –** China's industrial output rose for a second straight month in May but the gain was smaller than expected, suggesting the economy is still struggling to get back on track after the coronavirus crisis. Retail sales and investment continued to contract, pointing to an uneven and possibly more drawn-out rebound in other sectors. Global leaders are closely watching how long it takes China to get back on its feet as they begin to relax their own stringent anti-virus measures and reboot their economies. Industrial output growth quickened to 4.4% in May from a year earlier, the highest reading since December, official data showed on Monday. Analysts polled by Reuters had expected a 5.0% rise from 3.9% in April, the first expansion since the virus emerged in China late last year. But a collapse in export orders amid global lockdowns has left factories more reliant on domestic demand, which is recovering at a more sluggish pace. Retail sales fell for a fourth straight month. While the 2.8% drop was smaller than the 7.5% slump in April, it was larger than the 2.0% fall tipped by analysts. Heavy job losses and fears of a second wave of infections continue to make consumers cautious. Sales have fallen as shops, restaurants and other crowded places closed during the pandemic. Though strict anti-virus measures have been relaxed, consumers remain wary. Fixed asset investment fell 6.3% in January-May from the same period last year, compared with a forecast 5.9% fall and a 10.3% decline in the first four months of the year. Private sector fixed-asset investment, which accounts for 60% of total investment, fell 9.6% in January-May, compared with a 13.3% decline in the first four months of the year. (Reuters)
- **China's refinery output in May rises 8.2% from a year earlier –** China's daily crude oil throughput in May rose 8.2% from a year earlier, as independent refiners increased their processing to meet the recovery in fuel demand following the easing of coronavirus lockdowns. China processed 57.9mn Tons of crude oil last month, equivalent to about 13.63mn barrels per day (bpd), data from the National Bureau of Statistics (NBS) released on Monday showed. That is compared with 13.1mn bpd in April. For the first five months, throughput totaled 261.39mn tons, 1% below year-ago levels because of large processing cuts in February and March. As in past downturns, Beijing is banking on higher infrastructure spending to lead a recovery, and steel mills have cranked up furnaces to over 92% of capacity. May processing rates were below last December's all-time high of 13.78mn bpd because of scheduled maintenance at some plants. PetroChina's Dalian Petrochemical Corp and Sinopec Corp's Tianjin Petrochemical Corp were undergoing overhauls. The two plants have a combined processing capacity of 660,000 bpd. China's independent plants, making up roughly one-third of national refinery throughput, were running their plants at 76% in May, near the same rates as before the coronavirus outbreak began, according to data from China Sublime Information Group, to take advantage of high margins after the cost of imported crude oil fell. (Reuters)
- **China May aluminum output edges up from previous month –** China's primary aluminum production edged higher in May from the previous month, official data showed on Monday, as the launch of new smelting capacity and the incentive of higher prices kept supply levels high. The world's biggest producer and consumer of aluminum made 2.98mn tons of the metal last month, the National Bureau of Statistics said. That was up 0.4% from 2.967mn tons in April and marked the highest monthly total since December. It was down 0.1% from May 2019, said the bureau, which does not typically give individual monthly figures for January and February output. In the first five months of 2020, aluminum production stood at 14.81mn tons, up 2.1% YoY. Domestic output is still rising even as analysts expect China to have imported the most primary aluminum in a decade in May due to an open arbitrage to London prices that makes it cheaper to purchase overseas metal. Meanwhile, production of 10 nonferrous metals - including copper, aluminum, lead, zinc and nickel - rose 1.1% from the previous month to 4.98mn tons in May. That was up 4.1% YoY and also the highest monthly total since December. Output of these metals in the first five months of 2020 was up 2.7% YoY at 24.13 mn tons. The other non-ferrous metals in this group are tin, antimony, mercury, magnesium and titanium. (Reuters)

Regional

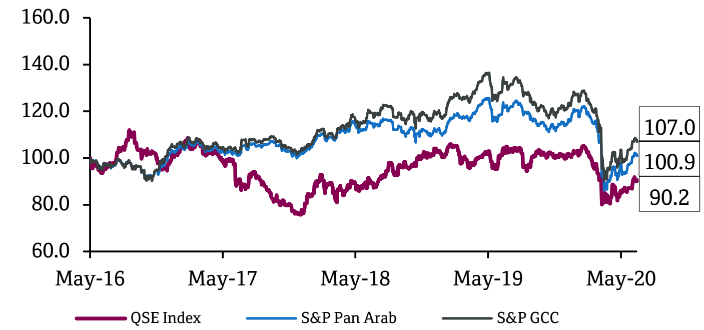
- **Non-oil sectors forecast to rebound strongly in 2021 –** A significant rebound in non-oil sectors is expected in GCC economies by 2021 as lockdown ends and demand recovers. Weaker oil and COVID-19 lockdowns will squeeze GCC's economic activity and push down 2020 forecasts. PwC's Middle East economic watch noted yesterday that despite the OPEC+ deals in May and June, the oil price outlook remains weak, with the most recent poll of economists forecasting an average price of just $36/barrel this year, down from $64 in 2019 and only slowly rising to $59 by 2024. Prior to the crisis, most Middle East states were running deficits even with oil at $64, some of them very sizable, making for a very challenging environment overall. When it comes to GDP, the IMF's forecasts see a -4.3% contraction in the non-oil sector, nearly 8 percentage points below its pre-crisis forecast of 3.6% growth. If the OPEC+ cuts are fully applied, then GCC oil production will be about 9% less than it was in 2019, which could potentially knock further percentage points off total real GDP, on top of the IMF's forecasts. The month of April may have been the low point of the regional recession as the monthly purchasing managers index (PMI) series showed declines to record lows. However, stronger PMI data for May suggests that conditions are improving across most Gulf States. Although these improvements may relate to the timing lockdowns/ reopening and the survey collection itself, the picture in the region broadly tracks the earlier experience in China, where a solid rebound in the PMI and other indicators followed lockdown easing. Qatar Country Senior Partner, PwC, Bassam Hajhamad said: "Looking ahead to 2021, there should be a significant rebound in non-oil sectors, as lockdowns end and demand recovers, although oil production will only be slightly higher year-on-year. The biggest uncertainty for 2021 is the oil price. The consensus forecast of $46 would be an improvement but still far below achievable fiscal breakeven levels for most countries. However, a wide range of prices are currently easily conceivable and leading economists forecast a range of $40-60." The lower case is easily conceivable if the OPEC+ deal breaks down or there is a second wave of infections and lockdowns, while the higher case is also plausible if an effective coronavirus vaccine leads to a V-shaped recovery in global oil demand. (Peninsula Qatar)

- **Saudi Aramco buys SABIC shares on market as it completes acquisition –** Saudi Aramco bought 2.1bn shares of Saudi Basic Industries (SABIC) on the stock market on Sunday as it completed its deal agreed last year to buy 70% of the petrochemical giant, according to sources and market data. Four transactions were executed on the Saudi exchange, known as Tadawul, involving SABIC shares worth $69.1bn, Tadawal data showed, without naming the buyer. Four sources confirmed the transactions were part of the Aramco acquisition agreed in 2019 and which will be one of the biggest in the global chemical industry once completed. The shares are being sold by the Saudi sovereign fund, the Public Investment Fund (PIF), giving it more cash to invest in the government program to diversify the economy away from oil. Sources told Reuters in May that Aramco had been looking to restructure the deal after SABIC's market value fell more than 40% due to an oil price slump. Sunday's transactions suggested the deal price had not changed but it was unclear whether the structure for making payments to PIF had been revised. Saudi Aramco will pay SR93.3bn this week as a first installment for the purchase of a 70% stake in SABIC to the nation's sovereign wealth fund, Maaal news site reported, citing sources. It also said that the first installment accounts for 36% of the entire amount due to be paid, which is SR259.1bn. Details of the transaction have been completed by parties and regulatory approvals have been obtained. (Reuters, Bloomberg)
- **Saudi property firm Amlak plans first post-coronavirus Riyadh IPO –** Saudi Arabian real estate financing firm Amlak International said on Sunday it will float 30% of its shares in Riyadh, in what will be the exchange's first initial public offering (IPO) since the coronavirus crisis. The Kingdom is encouraging more Saudi companies to list in a bid to deepen its capital markets as part of economic reforms aimed at reducing its reliance on oil revenues. Amlak, which has assets of around SR3.1bn, said the final offer price would be announced on June 30 after a book-building process starting on June 22. "Being a publicly listed company will give us more visibility among our clients, will help us build our business and will also help reduce our cost of capital and boost profitability considerably," Amlak Chief Executive, Abdullah Al Sudairy told Reuters by telephone. Saudi Arabia's NCB Capital is the sole financial advisor, bookrunner, underwriter and lead manager for the deal, which will have tranches for retail and institutional investors. Major shareholders, which include the Saudi Investment Bank and Amlak Finance, a Dubai-based Islamic mortgage company, will be subject to a six-month lock-up period. "Driven by population growth and supportive government policy, housing demand in the Kingdom is expected to increase 188,000 units per year until 2021, increasing to 203,000 per year from 2022-2025 and to 219,000 per year from 2026-2029," Amlak said in a statement. (Reuters)
- **Saudi Arabia's Bindawood Holding to launch IPO as early as this month –** Saudi Arabia's Bindawood Holding plans to launch an IPO as early as this month, sources with knowledge of the matter told Reuters on Sunday. Bindawood, which controls supermarket chains Bindawood and Danube in the kingdom, last year hired Goldman Sachs, JP Morgan Chase, NCB Capital and GIB to organize the deal, the sources said, with Moelis & Co acting as a financial advisor. The IPO would be filed as a regulation S offering, making it open to institutional investors outside the United States, the sources said. Bindawood and Danube, like other grocers around the world have benefited from a spike in demand during the lockdown to stem the coronavirus pandemic. Danube online, one of Saudi Arabia's biggest supermarket chains, told Reuters in April that average daily sales in the 10 days to March 26 were up over 200% and average order value was up 50%. Bindawood's IPO would follow another public share sale by mortgage lender Amlak International for Real Estate Finance, which announced its intention to go public on Sunday. Private equity firm Investcorp acquired a minority stake in Bindawood Group in 2016. Should the IPO go ahead, it could become the third Saudi investment that Investcorp has exited through a public share sale in the last five years. (Reuters)
- **Crown Prince: Islamic economy sectors contribute $11.38bn to Dubai's GDP –** As the global hub of the Islamic economy, Dubai is well placed to lead the sector's contributions to revitalizing the regional and international economy in the post-COVID-19 phase, Crown Prince, Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, said. Islamic economy sectors contributed $11.38bn to Dubai's GDP in 2018, registering a growth of 2.2% over the previous year, Sheikh Hamdan said. The increased contribution of the Islamic economy to Dubai's GDP is an organic outcome of Dubai's expertise, advanced infrastructure, strategic geographical location, and its commitment to becoming the preferred investment destination for various Islamic economy sectors, he noted. According to the Crown Prince, these results are testament to Dubai's position as the global capital of Islamic economy, in line with the wider objectives of the 'Dubai: Capital of Islamic Economy' initiative. He added that the increased contribution of the Islamic economy to Dubai's GDP is an organic outcome of Dubai's expertise, advanced infrastructure, strategic geographical location, and its commitment to becoming the

preferred investment destination for various Islamic economy sectors. (Zawya)

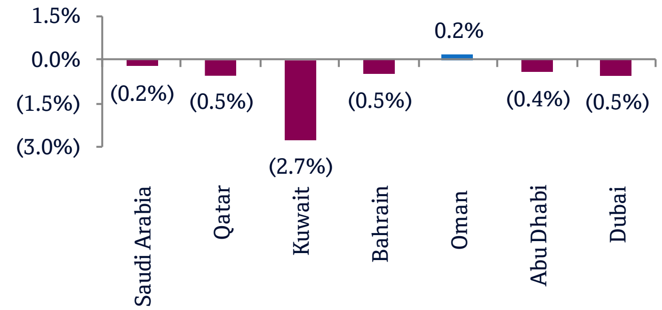
- **Warba Bank obtains CMA approval on KD150mn Sukuk issuance –** Warba Bank has obtained CMA approval on content of private offering prospectus for issuance of Sukuk. issuance of Sukuk not exceeding KD150mn under its Sukuk program not exceeding $2bn. (Reuters)
- **Oman forms committee to tackle economic impact of coronavirus –** The Sultan of Oman on Sunday ordered the formation of committee to deal with the economic impact of the coronavirus pandemic, a government media office statement said. Oman, a small oil producer relative to its Gulf neighbors, has been hit hard by the coronavirus pandemic and low oil prices. The committee, headed by the interior minister, will study the speedy return of economic activities, it said. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,730.75	0.2	2.7	14.1
Silver/Ounce	17.49	(0.9)	0.4	(2.0)
Crude Oil (Brent)/Barrel (FM Future)	38.73	0.5	(8.4)	(41.3)
Crude Oil (WTI)/Barrel (FM Future)	36.26	(0.2)	(8.3)	(40.6)
Natural Gas (Henry Hub)/MMBtu	1.66	(6.2)	(7.8)	(20.6)
LPG Propane (Arab Gulf)/Ton	49.50	2.3	(5.7)	20.0
LPG Butane (Arab Gulf)/Ton	52.01	0.0	(6.7)	(21.6)
Euro	1.13	(0.4)	(0.3)	0.4
Yen	107.38	0.5	(2.0)	(1.1)
GBP	1.25	(0.5)	(1.0)	(5.4)
CHF	1.05	(0.8)	1.0	1.6
AUD	0.69	0.2	(1.5)	(2.2)
USD Index	97.32	0.6	0.4	1.0
RUB	70.19	0.0	2.2	13.2
BRL	0.20	(1.4)	(1.8)	(20.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,164.46	0.5	(4.5)	(8.2)
DJ Industrial	25,605.54	1.9	(5.6)	(10.3)
S&P 500	3,041.31	1.3	(4.8)	(5.9)
NASDAQ 100	9,588.81	1.0	(2.3)	6.9
STOXX 600	354.06	(0.8)	(6.1)	(14.8)
DAX	11,949.28	(1.3)	(7.4)	(9.6)
FTSE 100	6,105.18	(0.5)	(7.2)	(23.7)
CAC 40	4,839.26	(0.6)	(7.4)	(19.0)
Nikkei	22,305.48	(1.5)	(0.4)	(4.5)
MSCI EM	987.01	(0.7)	(1.6)	(11.5)
SHANGHAI SE Composite	2,919.74	(0.3)	(0.4)	(5.9)
HANG SENG	24,301.38	(0.7)	(1.9)	(13.4)
BSE SENSEX	33,780.89	1.0	(2.0)	(23.3)
Bovespa	92,795.30	(4.8)	(3.5)	(36.2)
RTS	1,238.11	0.0	(3.7)	(20.1)

Source: Bloomberg (*$ adjusted returns)

Contacts

Saugata Sarkar, CFA, CAIA
Head of Research
Tel: (+974) 4476 6534
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
Tel: (+974) 4476 6509
shahan.keushgerian@qnbfs.com.qa

Zaid al-Nafoosi, CMT, CFTe
Senior Research Analyst
Tel: (+974) 4476 6535
zaid.alnafoosi@qnbfs.com.qa

Mehmet Aksoy, PhD
Senior Research Analyst
Tel: (+974) 4476 6589
mehmet.aksoy@qnbfs.com.qa

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
PO Box 24025
Doha, Qatar