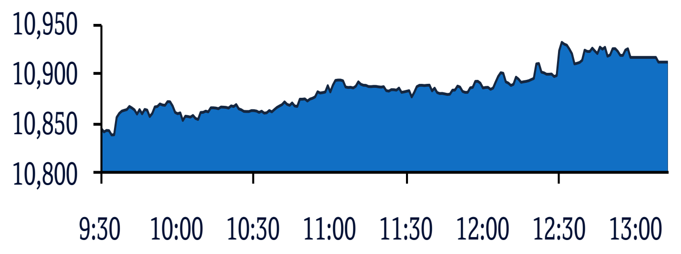
Daily Market Report

Sunday, 17 January 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.4% to close at 10,913.8. Gains were led by the Industrials and Insurance indices, gaining 2.2% and 0.6%, respectively. Top gainers were Industries Qatar and Qatar General Insurance & Reinsurance Company, rising 4.3% and 2.3%, respectively. Among the top losers, Qatar Islamic Insurance Company fell 1.7%, while QNB Group was down 1.3%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.2% to close at 8,898.7. Losses were led by the Insurance and Food & Bev. indices, falling 0.9% and 0.8%, respectively. Al-Omran Industrial & Trading declined 5.8%, while Amana Cooperative Ins. was down 2.8%.

Dubai: The DFM Index fell 0.7% to close at 2,702.3. The Investment & Financial Services index declined 2.1%, while the Real Estate & Construction index fell 1.6%. Ithmaar Holding declined 3.9%, while Dubai Islamic Insurance was down 3.8%.

Abu Dhabi: The ADX General Index fell 0.5% to close at 5,266.7. The Real Estate index declined 1.0%, while the Energy index fell 0.8%. Ras Al Khaimah White Cement declined 5.0%, while Zee Store was down 4.6%.

Kuwait: The Kuwait All Share Index gained 0.4% to close at 5,656.3. The Industrials index rose 1.1%, while the Real Estate index gained 0.9%. Al-Deera Holding Company rose 49.4%, while Metal & Recycling Company was up 8.7%.

Oman: The MSM 30 Index fell 0.9% to close at 3,638.8. Losses were led by the Financial and Services indices, falling 1.3% and 0.3%, respectively. National Bank of Oman declined 9.3%, while Voltamp Energy was down 8.0%.

Bahrain: The BHB Index gained 0.5% to close at 1,459.4. The Commercial Banks index rose 1.0%, while the Insurance index gained 0.4%. Esterad Investment Company rose 3.3%, while Ahli United Bank was up 2.1%.

Market Indicators	14 Jan 21	13 Jan 21	%Chg.
Value Traded (QR mn)	546.7	814.1	(32.8)
Exch. Market Cap. (QR mn)	628,214.0	627,386.9	0.1
Volume (mn)	219.1	270.2	(18.9)
Number of Transactions	10,009	14,545	(31.2)
Companies Traded	46	48	(4.2)
Market Breadth	23:21	23:21	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,981.48	0.4	2.2	4.6	18.5
All Share Index	3,341.23	0.2	1.7	4.4	19.2
Banks	4,398.92	(0.5)	0.2	3.6	15.5
Industrials	3,296.13	2.2	3.9	6.4	29.4
Transportation	3,599.14	(0.0)	6.6	9.2	16.4
Real Estate	1,926.71	0.2	1.0	(0.1)	17.0
Insurance	2,557.75	0.6	3.1	6.8	N.A.
Telecoms	1,122.20	(0.8)	7.3	11.0	16.7
Consumer	8,252.50	0.1	0.7	1.4	29.4
Al Rayan Islamic Index	4,398.25	0.7	1.5	3.0	20.2

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Industries Qatar	Qatar	12.10	4.3	3,265.1	11.3
Ahli United Bank	Bahrain	0.73	2.1	1,278.0	(4.6)
Agility Public Wareh. Co.	Kuwait	0.74	1.9	4,166.7	9.5
Mabanee Co.	Kuwait	0.71	1.7	1,873.6	8.7
Ahli United Bank	Kuwait	0.30	1.4	1,202.0	2.1

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Bank of Oman	Oman	0.15	(9.3)	284.6	(8.7)
Ominvest	Oman	0.32	(2.5)	100.0	(6.5)
Oman Telecom. Co.	Oman	0.70	(2.2)	74.5	(1.7)
Advanced Petrochem. Co.	Saudi Arabia	65.30	(2.1)	424.1	(2.5)
Ooredoo Oman	Oman	0.38	(1.5)	143.0	(2.0)

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%
Industries Qatar	12.10	4.3	3,265.1	11.3
Qatar General Ins. & Reins. Co.	2.64	2.3	1.6	(0.6)
Qatar First Bank	1.81	2.3	27,235.7	4.9
Doha Insurance Group	1.50	1.9	148.4	7.6
Qatar Oman Investment Company	0.86	1.4	2,570.2	(3.4)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Islamic Insurance Company	7.08	(1.7)	1.2	2.6
QNB Group	18.62	(1.3)	3,486.2	4.4
Ooredoo	8.42	(1.2)	1,422.7	12.0
Investment Holding Group	0.57	(1.0)	24,505.1	(5.5)
Gulf International Services	1.70	(0.8)	7,212.3	(1.0)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Mazaya Real Estate Development	1.30	(0.6)	29,185.7	2.6
Salam International Inv. Ltd.	0.64	0.5	29,017.0	(1.2)
Qatar First Bank	1.81	2.3	27,235.7	4.9
Investment Holding Group	0.57	(1.0)	24,505.1	(5.5)
QLM Life & Medical Insurance Co.	3.92	0.5	12,984.8	24.4

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.62	(1.3)	65,177.0	4.4
QLM Life & Medical Insurance Co.	3.92	0.5	50,589.3	24.4
Qatar First Bank	1.81	2.3	48,634.5	4.9
Industries Qatar	12.10	4.3	38,750.2	11.3
Mazaya Real Estate Development	1.30	(0.6)	38,051.4	2.6

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*	10,913.83	0.4	2.2	4.6	4.6	149.18	171,439.6	18.5	1.6	3.6
Dubai	2,702.34	(0.7)	2.9	8.4	8.4	62.62	97,598.7	12.8	0.9	3.6
Abu Dhabi	5,266.72	(0.5)	2.0	4.4	4.4	106.00	203,767.1	20.9	1.5	4.6
Saudi Arabia	8,898.68	(0.2)	1.8	2.4	2.4	2,512.30	2,444,847.0	35.6	2.1	2.4
Kuwait	5,656.28	0.4	2.2	2.0	2.0	153.01	106,186.9	36.1	1.4	3.5
Oman	3,638.84	(0.9)	(1.6)	(0.5)	(0.5)	4.09	16,521.6	11.9	0.7	6.9
Bahrain	1,459.44	0.5	0.6	(2.0)	(2.0)	4.77	22,267.4	14.2	1.0	4.6

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

Qatar Market Commentary

- The QE Index rose 0.4% to close at 10,913.8. The Industrials and Insurance indices led the gains. The index rose on the back of buying support from Foreign shareholders despite selling pressure from Qatari, GCC and Arab shareholders.
- Industries Qatar and Qatar General Insurance & Reinsurance Company were the top gainers, rising 4.3% and 2.3%, respectively. Among the top losers, Qatar Islamic Insurance Company fell 1.7%, while QNB Group was down 1.3%.
- Volume of shares traded on Thursday fell by 18.9% to 219.1mn from 270.2mn on Wednesday. Further, as compared to the 30-day moving average of 223.8mn, volume for the day was 2.1% lower. Mazaya Real Estate Development and Salam International Investment Limited were the most active stocks, contributing 13.3% and 13.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	37.27%	51.42%	(77,365,706.3)
Qatari Institutions	15.32%	17.29%	(10,780,045.0)
Qatari	**52.59%**	**68.71%**	**(88,145,751.3)**
GCC Individuals	0.60%	0.68%	(447,026.9)
GCC Institutions	2.85%	3.89%	(5,690,452.5)
GCC	**3.45%**	**4.57%**	**(6,137,479.4)**
Arab Individuals	9.56%	10.89%	(7,306,126.9)
Arab Institutions	0.01%	0.02%	(31,642.8)
Arab	**9.57%**	**10.91%**	**(7,337,769.8)**
Foreigners Individuals	3.30%	2.34%	5,236,447.8
Foreigners Institutions	31.10%	13.47%	96,384,552.7
Foreigners	**34.40%**	**15.81%**	**101,621,000.4**

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
QLM Life and Medical Insurance Company	S&P	Qatar	ICR/FSR	A-/A-	A-/A-	–	Stable	–

Source: News reports, Bloomberg (FSR- Financial Strength Rating, ICR – Issuer Credit Rating)

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2020	% Change YoY	Operating Profit (mn) 4Q2020	% Change YoY	Net Profit (mn) 4Q2020	% Change YoY
Al Batinah Hotels*	Oman	OMR	0.3	-66.4%	–	–	(0.6)	N/A
Al Omaniya Financial Services*	Oman	OMR	10.3	-11.0%	–	–	1.2	-64.8%
Oman Packaging Co.*	Oman	OMR	11.3	-6.6%	–	–	1.2	5.9%
Arabia Falcon Insurance Company*	Oman	OMR	18.3	8.2%	–	–	1.6	40.5%
Oman Chromite Co.*	Oman	OMR	1.1	-53.9%	–	–	(0.7)	N/A
National Life General Insurance*	Oman	OMR	134.0	-9.8%	–	–	15.0	47.1%
Construction Materials Industries & Contracting*	Oman	OMR	3.7	2.4%	–	–	0.2	57.6%
Al Sharqiya Investment Holding Co.*	Oman	OMR	1.2	-0.8%	–	–	0.5	5.4%
United Finance Co.*	Oman	OMR	8.0	-12.3%	–	–	0.8	15.3%
The National Detergent Co.*	Oman	OMR	20.4	3.6%	–	–	0.9	43.1%
Oman Oil Marketing Co.*	Oman	OMR	442.4	-24.2%	–	–	0.4	-92.8%
National Aluminium Products Co.*	Oman	OMR	35.7	-17.5%	–	–	(1.1)	N/A
Gulf Mushroom Products Co.*	Oman	OMR	6.1	-19.1%	–	–	0.3	-54.7%
Voltamp Energy*	Oman	OMR	34.4	-16.4%	–	–	0.1	-86.8%
Oman Flour Mills Co.*	Oman	OMR	96.9	6.6%	–	–	9.6	85.7%
Salalah Mills Co.*	Oman	OMR	53.5	-0.3%	–	–	1.5	-2.8%
Global Financial Investments Holding*	Oman	OMR	14.0	5.5%	–	–	0.5	N/A
Dhofar Tourism*	Oman	OMR	0.4	-32.7%	–	–	1.3	1.6%
Oman & Emirates Investment Holding Co.*	Oman	OMR	0.6	-86.2%	–	–	(1.8)	N/A
Al Maha Ceramics*	Oman	OMR	9.0	21.0%	–	–	1.5	50.9%
A'Saffa Foods*	Oman	OMR	29.9	-1.4%	–	–	1.4	3.8%
Oman Cables Industry*	Oman	OMR	175.4	-16.5%	–	–	2.4	-65.4%

Al Maha Petroleum Products Company*	Oman	OMR	336.0	-28.2%	–	–	0.9	-74.4%

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2020	% Change YoY	Operating Profit (mn) 4Q2020	% Change YoY	Net Profit (mn) 4Q2020	% Change YoY
Ominvest*	Oman	OMR	250.3	-17.4%	–	–	33.7	4.9%
Vision Insurance*	Oman	OMR	22.8	-10.9%	–	–	1.2	-2.6%
Raysut Cement Co.*	Oman	OMR	90.3	7.5%	–	–	(14.0)	N/A
Oman Qatar Insurance*	Oman	OMR	31.3	8.1%	–	–	2.1	63.7%
Sweets of Oman*	Oman	OMR	3.0	-71.8%	–	–	(4.5)	N/A
Al Hassan Engineering Co.*	Oman	OMR	22.2	-42.7%	–	–	0.1	-95.5%
Sharqiyah Desalination Co.*	Oman	OMR	13.5	-3.0%	–	–	1.3	-28.8%
Muscat City Desalination Co.*	Oman	OMR	16.8	-0.4%	–	–	1.8	24.0%
Majan Glass Co.	Oman	OMR	12.1	11.2%	–	–	(1.1)	N/A
Ooredoo	Oman	OMR	65.4	-12.1%	–	–	6.2	-10.1%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2020)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/14	US	Department of Labor	Initial Jobless Claims	09-Jan	965k	789k	784k
01/14	US	Department of Labor	Continuing Claims	02-Jan	5,271k	5,000k	5,072k
01/15	US	Federal Reserve	Industrial Production MoM	Dec	1.6%	0.5%	0.5%
01/15	US	Federal Reserve	Capacity Utilization	Dec	74.5%	73.6%	73.4%
01/15	US	Federal Reserve	Manufacturing (SIC) Production	Dec	0.9%	0.5%	0.8%
01/15	UK	UK Office for National Statistics	Industrial Production MoM	Nov	-0.1%	0.5%	1.1%
01/15	UK	UK Office for National Statistics	Industrial Production YoY	Nov	-4.7%	-4.2%	-5.8%
01/15	UK	UK Office for National Statistics	Manufacturing Production MoM	Nov	0.7%	1.0%	1.6%
01/15	UK	UK Office for National Statistics	Manufacturing Production YoY	Nov	-3.8%	-4.8%	-6.1%
01/15	UK	UK Office for National Statistics	Monthly GDP (MoM)	Nov	-2.6%	-4.6%	0.6%
01/15	UK	UK Office for National Statistics	Monthly GDP (3M/3M)	Nov	4.1%	3.3%	10.5%
01/15	France	INSEE National Statistics Office	CPI MoM	Dec	0.2%	0.2%	0.2%
01/15	France	INSEE National Statistics Office	CPI YoY	Dec	0.0%	0.0%	0.0%
01/14	Japan	Bank of Japan	PPI YoY	Dec	-2.0%	-2.2%	-2.3%
01/14	Japan	Bank of Japan	PPI MoM	Dec	0.5%	0.2%	-0.1%

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 4Q2020 results	No. of days remaining	Status
MARK	Masraf Al Rayan	19-Jan-21	2	Due
QFLS	Qatar Fuel Company	21-Jan-21	4	Due
IHGS	INMA Holding Group	25-Jan-21	8	Due
GWCS	Gulf Warehousing Company	26-Jan-21	9	Due
QIIK	Qatar International Islamic Bank	26-Jan-21	9	Due
QNCD	Qatar National Cement Company	27-Jan-21	10	Due
CBQK	The Commercial Bank	27-Jan-21	10	Due
KCBK	Al Khalij Commercial Bank	27-Jan-21	10	Due
QAMC	Qatar Aluminum Manufacturing Company	04-Feb-21	18	Due
DHBK	Doha Bank	08-Feb-21	22	Due
ORDS	Ooredoo	14-Feb-21	28	Due
QIMD	Qatar Industrial Manufacturing Company	14-Feb-21	28	Due

Source: QSE

News

Qatar

- **QNB Group to hold AGM on January 31 –** QNB Group announced that the General Assembly Meeting (AGM) will be held on January 31, 2021, at the Ritz Carlton Hotel at 04:00 pm. In case of not completing the legal quorum, the second meeting will be held on February 07, 2021, at the Ritz Carlton Hotel at 04:00 pm. The Agenda includes (1) Hearing the statement of His Excellency the Chairman and the report of the Board of Directors on the Bank's activities, financial position for the year ended 31 December 2020 and the business plan for 2021. (2) Hearing and approving the report of the External Auditors on the Bank's balance sheet and on the accounts submitted by the Board of Directors. (3) Discussing and approving the balance sheet and profit and loss for the year ended 31 December 2020. (4) Approving the proposal of the Board of Directors to distribute to the shareholders cash dividends at the rate of 45% of the nominal share value, i.e. QR0.45 for each share. (5) Releasing from liability the members of the Board of Directors and fixing their fees for the financial year ended 31 December 2020. (6) Discussing the Bank's Corporate Governance Report for 2020. (7) Appointing an External Auditor for the Bank for the financial year 2021 and fixing the fees. (QSE)
- **S&P reassigns rating of 'A-' with Stable outlook on QLMI –** Subsequent to the successful listing of QLM Life & Medical Insurance Company's (QLMI) stock at the QSE, followed by withdrawal of parental guarantee by QATI, S&P Global Ratings (S&P) has reassigned its 'A negative' issuer credit and financial strength ratings on QLMI with the outlook Stable. The current rating is based on stand-alone strength of QLMI's own strong market position as a leading life and health insurance company and its good performance track record coupled with excellent capital adequacy. QLMI's CEO, Fahad Mohamed Al-Suwaidi said, "We are encouraged by S&P's assertion of our strong financial strength and dominant market position, which has been well reflected in the rating 'A- with Stable outlook' as assigned to QLM. The rating shall open more opportunities both locally and internationally to capture large strategic accounts and to expand its regional footprint across GCC through the reinsurance route. With the listing of the company at Qatar Stock Exchange, the company has entered a new era and a strong credit rating shall help to further cement its leading position in the insurance market." (Gulf-Times.com)
- **Saudi Minister: Saudi Arabia to reopen Qatar embassy in coming days –** Saudi Arabia expects to re-open its embassy in Qatar in the coming days, Saudi's Foreign Minister said on Saturday, following a US-backed detente last week in a three-year-old dispute between Arab states. It is just a matter of logistics, Saudi Arabia's Foreign Minister, Faisal bin Farhan told journalists in Riyadh when asked about embassy re-openings. (Reuters)
- **Qatar Financial Centre to attract $25 billion of foreign investments by 2022 as Gulf rift ends –** Qatar Financial Centre is seeking to attract $25 billion of foreign direct investment inflows by 2022, its CEO Yousuf Al-Jaida told CNBC in an exclusive interview on Wednesday. The reconciliation means a stronger, more powerful Gulf Cooperation Council, Al-Jaida said. "I think the impact is going to be positive on trade, which means countries are going to be working closely with each other," he added. Qatar, one of the world's richest country per capita, has also set its sights on sports. The country is slated to host the World Cup in 2022, and has submitted a request to the International Olympic Committee to join the "continuous dialogue" about possibly hosting the Games in 2032. (CNBC)
- **BRES signs a financing agreement with QIBK** – Barwa Real Estate company (BRES) has announced the signing of a long-term financing agreement with Qatar Islamic Bank (QIBK) worth QR600mn. The purpose of the agreement is to finance part of its capital Expenditure for the group's projects. Noting that there is no conflict of interest between the contracting parties to this agreement. (QSE)
- **NLCS opens nominations for its board membership 2021** – National Leasing Holding (NLCS) announced the opening of nominees for the board memberships, years from 2021 to 2023. Applications will be accepted starting from January 17, 2021 till 02:00 pm of January 21, 2021. (QSE)
- **QIGD to holds its investors relation conference call on February 04** – Qatari Investors Group (QIGD) announced that the conference call with the Investors to discuss the financial results for the annual 2020 will be held on February 04, 2021 at 01:30 pm, Doha Time. (QSE)
- **QIGD board of directors to meet on February 01** – The Qatari Investors Group (QIGD) has announced that its board of directors will be holding a meeting on February 01, 2021 to discuss the Financial statements for the period ended on December 31, 2020. (QSE)
- **ORDS to disclose its annual financial results on February 14 –** Ooredoo (ORDS) discloses its financial statement for the period ending December 31, 2020 on February 14, 2021. (QSE)
- **QIBK to holds its investors relation conference call on January 20 –** Qatar Islamic Bank (QIBK) announced that the conference call with the Investors to discuss the financial results for the annual 2020 will be held on January 20, 2021 at 01:00 pm, Doha Time. (QSE)
- **MoTC, ORDS sign agreement to expand Government Data Centre –** The Ministry of Transport and Communications (MoTC) and Ooredoo Qatar (ORDS) have signed an agreement to expand the Government Data Centre (GDC). The new GDC, also known as GDC2, will allow various government entities to host their mission-critical IT and network infrastructure in Ooredoo's QDC5 purpose-built secure Tier III Data Centre facility in Qatar, according to a press statement by Ooredoo. Connected to the Government Network (GN), GDC2 provides hosting as well as basic and advanced monitoring services to hosted government entities. This will further enhance the ability of the public sector as a whole to acquire data centre capacity, without the need for additional capital expenditure. For government entities, GDC2 brings multiple benefits. These include the flexibility to activate

additional managed services quickly, high-speed connectivity to the official Government Network, compliance with National Information Assurance standards, high availability hosting and 24/7 support, provided by a dedicated team of Ooredoo experts, the statement noted. GDC2 can be used as the primary data centre or as a disaster recovery site by government organisations. (Gulf-Times.com)

- **S'hail Holding planning to get listed QSE –** S'hail Holding - a leading group that operates in recycling, producing and exporting processed ferrous, non-ferrous metals and plastics - is planning to get listed on the QSE. In this regard, QSE's Chief Executive, Rashid bin Ali Al-Mansoori had talks with S'hail Holding's Group Chairman, Sheikh Khalid bin Ahmed bin Mubarak Al-Thani where he assured the latter to assist the company and provide with the necessary consultations and support. "We are glad to hear the plans of S'hail Holding to list on the QSE within two years," Al-Mansoori said in a tweet. It could not be ascertained how the company, which has a solid business base and extensive market reach with strong logistic support and modern export facilities in several locations around the region, is planning to enter the QSE; whether via initial public offering (IPO) or otherwise. The QSE has already announced a robust pipeline of upcoming IPOs, comprising listings from various industries; even as Qatari businesses have been less inclined to pursue equity funding as they have enjoyed easy access to cheaper bank financing. (Gulf-Times.com)
- **Qatar Petroleum aims to create low carbon energy by growing renewable energy capacity –** Qatar Petroleum (QP) aims to create low carbon energy by growing renewable energy capacity, i.e. solar projects, by 2-4 gigawatts (GW) by 2030, QP has said in its new Sustainability Report. Highlighting its commitment to climate mitigation, QP said it is the main engine for growth and prosperity in Qatar, taking an active role in safeguarding its unique environment and contributing to preserving the planet thereby working alongside all players in the energy sector both in Qatar and internationally, to fast track de-carbonization of the sector to meet Paris Agreement goals. "Our strategy embraces the transition towards a low carbon industrial landscape and is intended to be flexible and resilient to change. It is designed to grow the energy supply while helping to meet the dual challenge of achieving low carbon operations. "This reflects our alignment with the climate targets established by the Paris Agreement, which urges the world to mitigate greenhouse gas (GHG) emissions while alleviating poverty rapidly," QP said in its the report. Since the launch of its environmental initiatives nearly a decade ago, QP has achieved real momentum across its facilities and those of its affiliates to reduce their carbon footprint. (Gulf-Times.com)
- **Over QR5.43bn realty deals in December –** The real estate sector of Qatar has ended the year on an impressive note as the value of deals signed during December surged around 128% compared to November 2020. Total deals worth over QR5.43bn were registered while 486 properties exchanged hands during December, according to a report released by the Ministry of Justice. Deals worth QR2.38bn were signed while total 504 properties were sold in November last year. The rise in activity in the real estate sector can be attributed to a sharp improvement in investors' sentiments due to a solid recovery in the economy. Qatar had received its first novel coronavirus vaccines last month. In December, news regarding the 41st Gulf Cooperation Council summit in Al-Ula, Saudi Arabia also buoyed sentiments. As expected, the normalisation of relations between Qatar and its neighbours were announced after the summit. All these factors led to spike in activity in the real estate activity. A look at the monthly real estate report by the Ministry of Justice shows that Doha emerged on the top among municipalities in terms of the value of deals. Total deals worth QR3.95bn were signed in Doha municipality last month. However, in terms of number of properties sold, Al Rayyan toppled Doha Municipality from the top position. (Peninsula Qatar)
- **New investment opportunities at three beach resorts –** Qatar has unveiled investment opportunities for the private sector to develop three beach resorts in Fuwairit, Ben Ghanem and Ras Abrouq as part of the broader public-private partnership (PPP) framework and efforts to enhance the local tourism's contribution to the country's non-oil economy. "As part of its mandate to diversify the economy by developing the tourism sector, Qatar National Tourism Council (QNTC) works closely with partners across the public and private sectors to build products that showcase our country's varied offerings and deliver service excellence," Secretary-General and Qatari Airways Group Chief Executive HE Akbar Al-Baker said yesterday. Addressing a meet for investors related to the tourism sector, jointly organised by the Ministry of Commerce and Industry (MoCI) and QNTC, he said through investment opportunities such as these, QNTC engages the private sector in creating tourism offerings that tell Qatar's story while providing unparalleled experiences to visitors and residents alike. This initiative comes within the framework of the state's efforts to achieve the Qatar National Vision (QNV) 2030, aimed at consolidating economic diversification and supporting non-oil sectors, especially the tourism sector. (Gulf-Times.com)
- **Air Arabia set to resume daily flights to Qatar on January 18 –** Sharjah-based Air Arabia is set to resume direct flights to Doha on January 18, becoming the first UAE airline announcing a relaunch of services to Qatar in more than three years. UAE-based Gulf News reported that the airline will deploy an Airbus A320 on the route and the first flight is scheduled to leave Sharjah at 4:10pm and touch down in Doha at 5:10pm. "Customers can now book their direct flights between Sharjah and Doha by visiting Air Arabia's website, by calling the call centre or through travel agencies," the report said, speculating that Abu Dhabi's Etihad Airways was also planning to re-commence services between Abu Dhabi and Qatar. "As airspace reopens, Etihad looks forward to recommencing services between Abu Dhabi and Doha and once again, supporting growth of trade and tourism between the two nations," Gulf News quoted a spokesperson as saying. (Qatar Tribune)
- **Vaccination drive to cover entire population –** As more COVID-19 vaccine arrives in Qatar, the vaccination campaign will be expanded to cover the whole population, said a senior official at the Ministry of Public Health (MoPH). "The vaccines are arriving in Qatar in larger quantities and gradually the COVID-19 vaccination campaign will be expanded to all," said Director of Public Health at the MoPH, Dr. Sheikh Mohammed Al Thani. (Peninsula Qatar)

International

- **US consumer sentiment slips but shows massive partisan divide –** US consumer sentiment dipped in early January as Americans reacted to the assault on the US Capitol and a relentless surge in COVID-19 infections and deaths, the University of Michigan said on Friday in a report that also showed a deep partisan divide in views on the economy and outlook. The University of Michigan's consumer sentiment index dropped to 79.2 early this month from a final reading of 80.7 in December. Economists polled by Reuters had forecast the index would be little changed at 80. "Consumer sentiment posted trivial declines in early January despite the horrendous rise in COVID-19 deaths, the insurrection, and the impeachment of Trump," University of Michigan Surveys of Consumers Chief Economist Richard Curtin said in a statement. The survey period covered the earliest days in January, including Jan. 6, when thousands of angry supporters of Donald Trump stormed the Capitol as lawmakers were certifying Democrat Joe Biden's victory over the Republican president in the November 3, 2020, election. Trump, who leaves office on January 20, has subsequently been impeached for inciting the crowd to violence. The report revealed a chasm in economic sentiment between Republicans and Democrats. Even as the survey's overall reading of sentiment dipped modestly, it plummeted to a six-and-a-half-year low among Republicans while surging to a four-year high among Democrats. (Reuters)
- **US business inventories rise in November –** US business inventories increased in November, supporting expectations that inventory investment was likely the main driver of economic growth in the fourth quarter. Business inventories rose 0.5% in November after increasing 0.8% in October, the Commerce Department said on Friday. Inventories are a key component of gross domestic product. November's increase was in line with economists' expectations. Inventories fell 3.2% on a YoY basis in November. Retail inventories rose 0.7% in November as estimated in an advance report published last month. That followed a 0.9% increase in October. Motor vehicle inventories jumped 1.9% instead of 1.5% as previously reported. Retail inventories excluding autos, which go into the calculation of GDP, gained 0.2% instead of 0.3% as estimated last month. Businesses are replenishing inventories after they were drawn down early in the pandemic. That has helped to underpin manufacturing. Inventory accumulation is expected to blunt some of the drag on GDP from a widening trade deficit, which hit a more than 14-year high in November. The economy grew at a historic 33.4% pace in the third quarter after shrinking at a 31.4% rate in the April-June period, the deepest since the government started keeping records in 1947. Inventories added to GDP growth in the third quarter after being a drag for five straight quarters. Growth estimates for the fourth quarter are mostly below a 5% rate because of the outbreak in coronavirus infections and the largely expired fiscal stimulus. Wholesale inventories were unchanged in November. Stocks at manufacturers rose 0.7%. Business sales slipped 0.1% in November after accelerating 0.9% in October. At November's sales pace, it would take 1.32 months for businesses to clear shelves, unchanged from October. (Reuters)
- **US producer prices increase moderately in December –** US producer prices rose moderately in December, suggesting that an anticipated pick-up in inflation in the coming months will probably not be worrisome. The producer price index for final demand increased 0.3% last month after nudging up 0.1% in November, the Labor Department said on Friday. In the 12 months through December, the PPI rose 0.8%, matching November's gain. A 1.1% increase in the cost of goods accounted for last month's rise in the PPI. Prices for services dipped 0.1%. Economists polled by Reuters had forecast the PPI rising 0.4% in December and gaining 0.8% on a YoY basis. The government this week reported solid increases in both consumer and import prices in December. Economists expect inflation to accelerate in the months ahead as the government provides more money to stimulate the economy, and weak prices early in the coronavirus crisis fall out of the calculations. But any inflation spark will probably be temporary against the backdrop of ample slack in the labor market, with at least 18.4mn Americans on unemployment benefits. The Federal Reserve has signaled it would tolerate higher prices after inflation persistently undershot the US central bank's 2% target. Excluding the volatile food, energy and trade services components, producer prices increased 0.4%. The so-called core PPI inched up 0.1% in November. In the 12 months through November, the core PPI gained 1.1% after rising 0.9% in November. Energy prices jumped 5.5% last month after advancing 1.2% in November. Wholesale food prices slipped 0.1%. Core goods prices increased 0.5%. Margins for final demand trade services, which measure changes in margins received by wholesalers and retailers, dropped 0.8%. Healthcare costs edged up 0.1%, while portfolio fees jumped 1.7%. Those healthcare and portfolio management costs feed into the core personal consumption expenditures (PCE) price index, the Fed's preferred inflation measure. (Reuters)
- **UK economy shrinks but might avoid double-dip recession –** Britain's economy shrank in November as it went into a new lockdown, but the decline was smaller than expected as businesses adjusted to social distancing and schools remained open, making a double-dip recession less likely. The 2.6% monthly decline in Friday's official data was the first since April but less than half the average contraction forecast in a Reuters poll of economists. The scale was also far smaller than April's 18.8% collapse during Britain's first lockdown. The world's sixth-biggest economy shrank more than its peers in the first half of 2020 and is now 8.5% smaller than it was in February, before the start of the pandemic. A third, stricter lockdown that began this month is likely to cause Britain's economy to contract in the first quarter of 2021, when many businesses are facing post-Brexit barriers to trade with the European Union. "It's clear things will get harder before they get better and today's figures highlight the scale of the challenge we face," Finance Minister Rishi Sunak said. But Britain's roll-out of vaccines - which has been faster than elsewhere in Europe - was a reason to be hopeful, he added. Several economists warned that Britain remained at risk of a renewed recession, with the economy likely to shrink in both the final quarter of 2020 and the first three months of 2021. But others thought a contraction might be avoided in the fourth quarter because November's restrictions were lifted in December. (Reuters)
- **US banking regulator picks fight with Wall Street in finalizing "fair access" rule –** A leading US bank regulator finalized a rule

Thursday that prohibits large banks from refusing to lend to certain business sectors, after Republicans voiced frustration at what they saw as a reluctance by banks to finance gun makers and energy firms. The rule, proposed in November by the U.S. Comptroller of the Currency, has been fiercely contested by banks which call it unworkable and politically motivated. It applies to banks with more than $100bn in assets and stipulates that they must show legitimate business reasons for not providing services to certain borrowers. The rule, pushed by Comptroller Brian Brooks, had been encouraged by some Republicans frustrated by banks' refusal to lend to certain types of businesses, such as gun manufacturers and oil and gas companies. Instead, Brooks said banks must evaluate each applicant on the merits, and the rule would prohibit any blanket prohibition. The OCC finalized the rule on Brooks's last day at the agency. The last-minute rule has been met broad condemnation, with consumer groups, Democrats and the banking industry in rare alignment in opposition. Banks say the rule takes away their ability to make business decisions for themselves, and places it in the hands of the government. Banks are expected to push the incoming administration of President-elect Joe Biden and Democrats to find a way to repeal the rule, and have suggested they could challenge it in court. (Reuters)

- **UK's Sunak says November GDP fall shows challenge for economy –** Britain's economy looks set for tough times ahead, finance minister Rishi Sunak said on Friday after official figures showed the economy shrank for the first time in seven months in November. "It's clear things will get harder before they get better and today's figures highlight the scale of the challenge we face," Sunak said in a statement. "But there are reasons to be hopeful - our vaccine roll-out is well underway and … we're creating new opportunities for those most in need," he added. (Reuters)
- **Germany avoids record economic plunge in 2020 despite COVID-19 hit –** Germany's economy shrank by 5.0% in 2020, less than expected and a smaller contraction than during the global financial crisis, as unprecedented government rescue and stimulus measures helped lessen the shock of the COVID-19 pandemic. With France and Italy, the euro zone's second and third biggest economies, each forecast to shrink by 9% in 2020, Thursday's preliminary data underlines how the crisis is increasing discrepancies within the 19-country currency bloc. The contraction was smaller than a Reuters poll forecast of -5.1% and less severe than the record -5.7% suffered in 2009, during the financial crisis. Adjusted for calendar effects, gross domestic product declined by 5.3%, the statistics office said. "It was actually a year of disaster but judging by what had been feared in the course of the year, one could say we got off lightly," LBBW analyst Uwe Burkert said. The statistics office said growth probably stagnated in the fourth quarter but carried positive momentum into 2021, suggesting Germany has so far managed to cope relatively well with a second wave of COVID-19 infections. Chancellor Angela Merkel's coalition government has since March unleashed an array of measures to help companies and consumers in Europe's biggest economy through the pandemic. (Reuters)
- **Italy public debt to hit new post-war record in 2021 at 158.5% of GDP –** Italy forecasts its debt to soar to a new post-war record level of 158.5% of GDP this year, surpassing the 155.6% goal it set in September, a government source told Reuters on Saturday. The new estimate reflects the impact of a stimulus package worth 32bn Euros ($39bn) announced this week, which will drive the 2021 budget deficit to 8.8% of national output, up from 7% previously targeted. The extra spending will be used to help the hard-pressed national health service, fund grants and furlough schemes to businesses forced to close due to coronavirus lockdowns, and provide cover for a postponement of tax payment deadlines. The government is due to update its debt and deficit targets in April. Rome's huge public debt is the second highest in the euro zone after that of Greece. Despite the higher forecasts for 2021, however, the debt figure for 2020 is expected to come in lower than previously estimated, the source said, asking not to be named. (Reuters)
- **Japan to stick to budget surplus goal even as pandemic costs grow –** Japan will stick to a target of achieving a primary budget surplus by fiscal 2025 in projections to be presented next week, sources with knowledge of the matter said, even as spending to deal with the COVID-19 crisis balloons. But the government may be forced to push back the estimated timing for achieving the target if new state of emergency measures to contain the pandemic dent growth, they said. "There's no reason to change at this time," one of the sources said, referring to the fiscal target. "There's no change to Japan's stance of aiming to achieve fiscal consolidation by revitalizing the economy," the source told Reuters. Another source, however, said the situation surrounding Japan's finances could shift if a coronavirus state of emergency pushes the economy into another sharp contraction. "It will raise the question of whether the primary balance target of fiscal 2025 can really be achieved," the source said. Three government sources spoke on condition of anonymity because they were not authorised to comment publicly. (Reuters)
- **Japan may consider further stimulus package for COVID-19-hit economy, says minister –** Japan could consider fresh economic stimulus, including a possible fourth extra budget, as the government expands a state of emergency amid a record surge in coronavirus infections, a prominent cabinet minister said on Thursday. "Suddenly demand has gone, so I think the government, if it is necessary, will be willing to inject money into the economy," Taro Kono, the administrative and regulatory reform minister, said in an interview at the Reuters Next conference. Japan has done better than the United States and Europe in managing the coronavirus outbreak, but the government must also consider growth as "we can't kill the economy," Kono said. Prime Minister Yoshihide Suga on Wednesday expanded a state of emergency from the Tokyo area to seven more prefectures amid criticism that his government had acted too slowly to curb the pandemic. Those emergency measures could last longer than the one-month period initially set by the government, Kono said. "If it is necessary the government will think about extending it of course. We need to strike the balance between managing the COVID-19 and managing the economy," he said. The government, which last month approved a third supplementary budget for the fiscal year through March to fund an additional $708bn of stimulus spending, has so far committed to spending about $3tn to help the economy recover from its pandemic-induced slump. (Reuters)

- **PBOC Vice Governor China's monetary policy to support 2021 economic recovery –** China's monetary policy will provide the support needed for its continued economic recovery in 2021, a vice governor at the People's Bank of China (PBOC) said. Backed by tough coronavirus containment measures and emergency relief for businesses, the world's second-largest economy has largely recovered to pre-pandemic levels, but a resurgence of infections worldwide and in parts of China is keeping policymakers cautious. Speaking at the same briefing, the head of the PBOC's monetary policy department Sun Guofeng said current interest rate levels are appropriate and the central bank will use various policy tools to ensure reasonably ample liquidity. The central bank has rolled out a raft of measures, including cuts in interest rates and reserve ratios since early-2020 to support the virus-hit economy, but it has shifted to a steadier stance in recent months as the recovery solidified. At a key agenda-setting meeting in December, Chinese leaders pledged to maintain proactive fiscal policy and make monetary policy flexible and targeted. China's weighted average corporate lending rate was 4.61% at the end of 2020, down 51 basis points from a year ago, Chen said, reflecting authorities' goal to bring down borrowing costs for cash-strapped businesses. He said China's consumer prices are likely to rise moderately this year. The central bank will continue to reduce corporate borrowing costs in 2021, Sun added. Policy sources told Reuters in December that while the PBOC would scale down support for the economy in 2021, fears of derailing a recovery are likely to prevent it from tightening monetary policy anytime soon. (Reuters)

Regional

- **OPEC sees US shale output recovering further on oil rally –** The outlook for US shale oil is slightly more "optimistic" due to rising prices and output will recover further in the second half of 2021, OPEC said on Thursday, in a sign its policy of cutting output is helping rivals pump more. US shale producers are not part of a pact between OPEC nations and others including Russia - the so-called OPEC+ - to reduce their output to support prices and reduce oversupply. US total oil supply will rise by 370,000 bpd in 2021 to 17.99mn bpd, the OPEC said in a monthly report, up 71,000 bpd from the previous forecast. A significant rebound in shale could hamper efforts by OPEC and its allies to support the market. Oil prices hit an 11-month high above $57 a barrel this week, supported by OPEC+ supply restraint and a voluntary cut by Saudi Arabia. "The 2021 supply outlook is now slightly more optimistic for US shale with oil prices increasing, and output is expected to recover more in the second half of 2021," OPEC said. (Reuters)
- **NBK: Improved GCC equity markets outlook amid Covid-19 vaccines rollout –** GCC equity markets will likely continue to be influenced by their global peers, geopolitical factors, oil market stability, implementation of structural reforms and ultimately the pace of the economic recovery in the region, NBK (National Bank of Kuwait) has said in a report. Regional equities lagged behind their global counterparts but still managed to eke out decent gains in the fourth quarter of 4Q2020. GCC markets were helped by higher oil prices later in the year, giving rise to a better economic and fiscal outlook. On the geopolitical front, early signs of improvement were seen in December to end the rift with Qatar, which materialized in early January during the GCC summit in Saudi Arabia, NBK said. The MSCI GCC index rose by 5.6% QoQ, reducing the YTD decrease to -3.6%. Among the top gainers were Abu Dhabi and Dubai, as the UAE is considered a recovery play given its high exposure to tourism, trade, and services in general, benefiting as well from relatively depressed valuations during the year, NBK said. Dubai, for example, has been one of the few destinations globally that has been open for tourism recently with hotel occupancy rates at relatively high levels. (Gulf-Times.com)
- **Saudi Arabia 2020 inflation rises to 3.4% after VAT tripled –** Saudi Arabian inflation rose to 3.4% in 2020, lifted by the tripling of value-added tax last year as the Kingdom sought to boost state revenues hit by the coronavirus crisis and lower oil prices, government data showed. The main drivers were prices of food and beverages, which increased by 9%, and transport, up by 3.8%, the General Authority for Statistics said on Thursday. Inflation spiked in the second half of last year due to the VAT hike to 15%. The rise followed a mild inflation rate in the first part of the year and a deflationary trend in 2019, when the annual rate was minus 2.1%. The economy of the world's largest oil exporter contracted sharply last year, but data suggests the rate of decline slowed in the third quarter as some COVID-19 restrictions were lifted. Business surveys in recent months showed a rebound in economic activity, partly due to pent up consumer demand, although economists have said the VAT hike has weighed on the pace of recovery. "The effects of July's VAT hike will continue to keep the headline rate elevated until the middle of this year," Senior Emerging Markets Economist at Capital Economics, Jason Tuvey said in a note. (Reuters)
- **Saudi Arabia's December consumer prices rise 5.3% YoY; fall 0.2% MoM –** General Authority for Statistics in Riyadh published consumer price indices for December which showed that December consumer prices rose 5.3% YoY; however, fell 0.2% MoM. Food and beverages prices rose 12.7% YoY in December compared to a rise of 12.99% in the previous month. (Bloomberg)
- **Saudi Alkhabeer Capital gets approval to up REIT asset value –** Saudi-based Alkhabeer Capital said it had won approval from Capital Market Authority to increase the total asset value of its real estate investment trust (REIT) fund. A leading asset manager specializing in Shari'ah-compliant investments and financial services, Alkhabeer Capital pointed out that the assets value boost was aimed at carrying out key regional acquisitions. These include: Vision College for Education (previously known as Al Farabi College for Education): An educational property located in Al-Rayyan district, east of Al-Haramain highway, Jeddah. Akun Cold Storages: Cold storage warehouses located at the intersection of King Faisal Road and South Corniche Street, King Faisal Naval Base, Jeddah. Industrial Assets: Industrial and logistical assets of three factories located in Al-Obeikan Industrial City in Riyadh. (Zawya)
- **Expo organizers prepare to hold Dubai event delayed by coronavirus –** The organizers of Expo 2020 Dubai said on Saturday they are committed to hosting the event which was postponed for a year due to coronavirus, but are ready for all possible scenarios amid a new global wave of the pandemic. The world's fair, which had been due to run from October 2020 to April this year, was delayed last May after participating

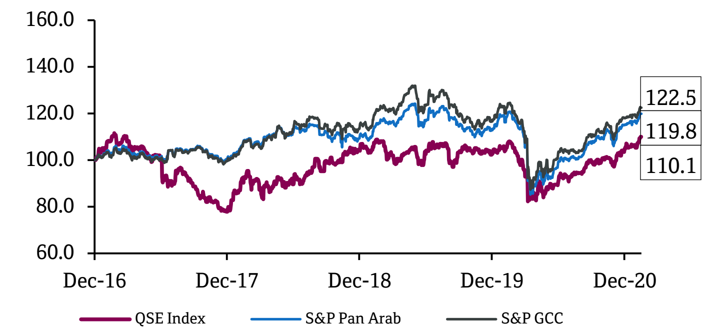
countries said they needed to focus on tackling the spread of infections. “We are committed to hosting Expo in October 2021. We are following all the guidelines, all the international guidelines on how to deal with COVID, social distancing,” the event’s Chief Development and Delivery Officer, Ahmed Al-Khatib told reporters. He said the organizers were ready for all scenarios and expected the doors to open on October 1. The event will run to March 31, 2022. (Reuters)

- **ADNOC signs agreement with Japan's Cosmo on crude pricing –** The Abu Dhabi National Oil Co. (ADNOC) signed agreements with Cosmo Oil and other Japanese companies to “explore the pricing of crude oil with reference” to its Murban crude, the UAE’s oil producer said on Thursday. (Reuters)
- **Abu Dhabi Investment Office opens eight global offices to attract investors –** The Abu Dhabi Investment Office (ADIO) has set up eight new offices in Tel Aviv, New York, San Francisco, Frankfurt, London, Paris, Beijing and Seoul, in an effort to attract investors, the state news agency WAM reported. Abu Dhabi, a major oil producer and home to some of the world’s biggest sovereign wealth funds such as the Abu Dhabi Investment Authority (ADIA), has been increasingly targeting technology and disruptive startups to diversify its economy away from oil. The network of offices, in collaboration with the Abu Dhabi Department of Economic Development, expands ADIO’s reach in key overseas markets, where it is looking to attract innovative businesses to establish and grow in the Emirate, WAM cited ADIO as saying in a statement. ADIO’s international expansion complements its $545mn Innovation Program, which provides financial and non-financial incentives to innovation-driven businesses in high-growth areas. (Reuters)
- **Abu Dhabi on track to launch Murban futures trading in March –** ICE Futures Abu Dhabi (IFAD), which will host the futures contracts for Abu Dhabi’s flagship Murban crude oil, is on track to launch by the end of March 2021, the exchange’s operator said on Wednesday. President of ICE Futures Europe Intercontinental Exchange, Stuart Williams told a Gulf Intelligence webinar that IFAD and trading in Murban futures would be launched on March 29, 2021. The launch, originally scheduled for the first half of 2020, was delayed due to the COVID-19 outbreak. The new launch date was announced in November last year. Williams said IFAD had received approvals from the Bank of England and the Monetary Authority of Singapore. Bank of England’s approval will allow ICE Clear Europe, the clearing house, to clear contracts traded on IFAD. (Zawya)
- **S&P affirms Kuwait 'AA-' ratings; outlook negative –** On January 15, 2021, S&P affirmed its 'AA-/A-1+' long- and short-term foreign and local currency sovereign credit ratings on Kuwait. The outlook is negative. The negative outlook reflects our view of short- and medium-term risks stemming from fiscal pressure, including the continued depletion of the GRF--the government's main source of budget funding--for which alternative financing arrangements are not yet in place. It also highlights the medium-term risks from Kuwait's persistently slow structural reform progress, particularly compared with other regional sovereigns. S&P could lower the ratings over the next six-to-12 months if Kuwait's institutional settings prevent the government from finding a sustainable long-term solution to its funding needs. In an extreme case, an insufficient policy response could leave Kuwait facing a hard fiscal budget constraint, potentially resulting in a disorderly expenditure adjustment that could inflict long-term damage on the economy. S&P could also lower the ratings if broader reform efforts--such as taxation and labor market changes, and measures to diversify the economy--remain sluggish, intensifying the burden on Kuwait's fiscal metrics over the medium term. Additionally, ratings could come under pressure if we consider that Kuwait's monetary policy flexibility has reduced or regional geopolitical tensions materially deteriorated, potentially disrupting key trade routes. S&P could revise the outlook to stable if the authorities swiftly addressed Kuwait's fiscal pressures and funding constraints in tandem with a program of structural reforms that enhanced institutional effectiveness and improved long-term economic prospects. The negative outlook reflects our view of risks stemming from the continued depletion of the GRF, the government's main fiscal liquidity buffer, given that the authorities are yet to adopt a timely alternative funding strategy. The GRF has been dwindling, as it has been the sole funding source for central government deficits since the debt law expired in October 2017. The expiry of the debt law meant that Kuwait has been unable to borrow, while the authorities have so far been reluctant to draw on the much larger Future Generations Fund (FGF), which is primarily earmarked for when the oil reserves run out in the long term. Over the past several months, the authorities have implemented some measures that could buy additional time, but on their own, these remain insufficient to resolve the funding gap. For example, parliament adopted a law suspending the automatic transfer of 10% of government revenues to the FGF, making it conditional on the budget having run a surplus in the given year. Provided there is a surplus, it would be up to the government to decide on the amounts transferred. The GRF also received an injection of funds from the FGF in exchange for the transfer of other government assets to the FGF. However, these measures alone are insufficient to address the issue given the scale of the central government budget deficit, which we project will amount to close to 30% of GDP for the 2020-2021 fiscal year. (Bloomberg)
- **Oman back to debt markets with multi-tranche dollar bond offering –** Oman started selling US dollar-denominated multi-tranche bonds on Thursday, a document showed, as the debt-burdened Gulf oil producer seeks fresh funding to cover a large fiscal shortfall. Oman is selling bonds with maturities of 10 and 30 years, and it re-opened $750mn bonds due in 2025, according to a document issued by one of the banks leading the deal and seen by Reuters. Oman, rated below investment grade by all major credit ratings agencies, has piled up debt at breakneck speed over the past few years to offset a decline in oil prices and cover widening deficits. On Thursday, it started marketing the 10-year paper at around 6.625% and the 30-year at 7.625%-7.75%, while the re-opening, or “tap”, of the 2025 bonds was marketed at around 4.875%. The bonds will be of benchmark size, which generally means upwards of $500mn per tranche. Oman is expected to raise $2bn to $3bn with the debt sale, sources said. (Reuters)
- **S&P: Oman institutional changes will make succession easier –** S&P said that the institutional reforms announced in Oman should improve political stability in the country and the

predictability of succession. On January 12, Sultan Haitham bin Tariq al-Said announced several constitutional changes, including the introduction of the position of Crown Prince and a new committee under the sultan to evaluate the performance of ministers and other officials. S&P expects Sultan Haitham's eldest son Sayyid Dhi Yazin bin Haitham, Minister of Culture, Sports and Youth, will be the crown prince and next in line to be Oman's ruler. Sultan Haitham succeeded Sultan Qaboos bin Said al-Said, who had ruled Oman for nearly 50 years and passed away on January 10, 2020. While the succession was ultimately smooth, the process resulted in some uncertainty regarding who would be selected as ruler. Until now, the decision on who would become sultan required consensus by the Ruling Family Council or, failing that, a sealed letter containing the sultan's choice of successor would be opened and adhered to. When Sultan Qaboos died, the royal family decided to immediately open the letter revealing the chosen successor. S&P believes therefore that the introduction of the role of crown prince should improve visibility and reduce succession risks. These recent measures follow other political and fiscal reforms implemented in 2020 and early 2021 that aim to decentralize decision-making to some extent, improve governance of public enterprises, and address large fiscal deficits. The measures include the sultan renouncing his official titles of finance and Foreign Minister and Central Bank Governor, shrinking the number of ministries, consolidating sovereign wealth funds, and transferring all government related entities (GREs; except Petroleum Development Oman [PDO]) to under the newly established Oman Investment Authority, and PDO from the government's balance sheet to new oil company Energy Development Oman. In addition, the government recently released its 10th five-year plan (2021-2025), which envisions a small fiscal surplus by 2025. The government will introduce a value-added tax of 5% from April 2021 and plans to rationalize current and investment spending over the period through 2025. In our view, fiscal austerity measures will be introduced gradually to maintain socioeconomic stability. (Bloomberg)

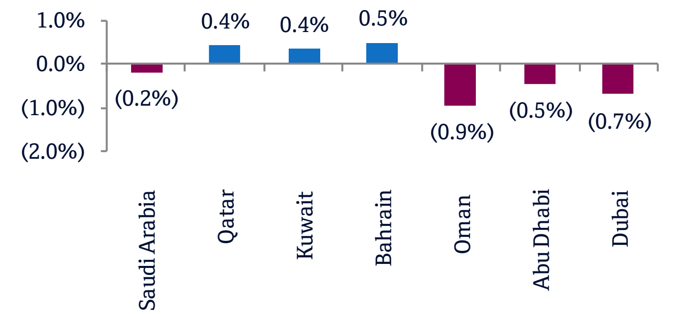
- **ABOB's net profit falls 22.6% YoY to OMR24.0mn in FY2020 –** Ahli Bank's (ABOB) recorded net profit of OMR24.0mn in FY2020, registering decrease of 22.6% YoY. Operating income rose 2.6% YoY to OMR71.5mn in FY2020. Total assets stood at OMR2.7bn at the end of December 31, 2020 as compared to OMR2.5bn at the end of December 31, 2019. Net Loans & advances and financing stood at OMR2.2bn (+8.0% YoY), while customer deposits stood at OMR1.9bn (+12.4% YoY) at the end of December 31, 2020. (MSM)
- **HBMO's reports net loss of OMR8.2mn in FY2020 –** HSBC Bank Oman (HBMO) recorded net loss of OMR8.2mn in FY2020 compared to a net profit of OMR29.3mn in FY2019. Operating Income fell 19.1% YoY to OMR70.1mn in FY2020. Total assets stood at OMR2.4bn at the end of December 31, 2020 as compared to OMR2.6bn at the end of December 31, 2019. Net loans and advances to customers stood at OMR1.4bn (-9.3% YoY), while customers' deposits stood at OMR1.9bn (-8.0% YoY) at the end of December 31, 2020. (MSM)
- **OAB's net profit narrows to OMR14.2mn in FY2020 –** Oman Arab Bank (OAB) recorded net profit of OMR14.2mn in FY2020 as compared to OMR32.6mn in FY2019. Operating income rose 10% YoY to OMR102.5mn in FY2020. Operating expenses rose 34% YoY to OMR65.4mn in FY2020. Total assets stood at OMR3.3mn at the end of December 31, 2020 as compared to OMR2.5mn at the end of December 31, 2019. Loans, advances and financing activities for customers stood at OMR2.6mn (+31% YoY), while total deposits stood at OMR2.8mn (+38% YoY) at the end of December 31, 2020. (MSM)
- **BKDB posts 1.1% YoY rise in net profit to OMR30.6mn in FY2020 –** Bank Dhofar (BKDB) recorded net profit of OMR30.6mn in FY2020, an increase of 1.1% YoY. Profit from operations rose 11.0% YoY to OMR64.9mn in FY2020. Operating income rose 0.02% YoY to OMR130.0mn in FY2020. Total assets stood at OMR4.27bn at the end of December 31, 2020 as compared to OMR4.32bn at the end of December 31, 2019. Net loans and advances to customers stood at OMR3.3bn (+6.6% YoY), while deposits from customers stood at OMR2.9bn (-2.8% YoY) at the end of December 31, 2020. (MSM)
- **BKSB's net profit falls 41.8% YoY to OMR20.0mn in FY2020 –** Bank Sohar (BKSB) recorded net profit of OMR20.0mn in FY2020, registering decrease of 41.8% YoY. Operating income fell 12.1% YoY to OMR92.0mn in FY2020. Operating profit fell 21.1% YoY to OMR46.8mn in FY2020. Total assets stood at OMR3.6bn at the end of December 31, 2020 as compared to OMR3.5bn at the end of December 31, 2019. Net loans and advances stood at OMR2.5bn, while customer deposits stood at OMR2.4bn at the end of December 31, 2020. (MSM)
- **Bank ABC acquires Blom Bank Egypt for $480mn –** Bahrain's Bank ABC completed its purchase of the Egyptian subsidiary of Lebanon's Blom Bank for $480mn on Thursday, two banking sources said. The transaction included all Blom Bank Egypt's physical and non-physical assets as well as customer accounts, the sources said. Lebanon's Blom Bank, which owns 99.42% of the issued share capital of Blom Bank Egypt, said it had entered exclusive talks with Bahrain's ABC in December. Lebanon has been in the throes of a financial crisis that has paralyzed its banks, sunk the currency and fueled poverty and unemployment. Libya's Central Bank owns a 59.37% stake in Bank ABC, according to Bank ABC's website. The Bahrain-based bank has an Egyptian subsidiary, Bank ABC Egypt, in which it owns a 93% stake. (Reuters)
- **Pfizer delays January vaccine delivery to Bahrain –** A January shipment of the Pfizer-BioNTech vaccine to the Gulf state of Bahrain will not arrive on time, the Ministry of Health said on Saturday, but second doses of the jab already scheduled will not be affected. The small island state of Bahrain has the third highest rate of vaccinations per capita in the world so far, according to the Our World in Data website, which is run by an Oxford University research program. "The delay ... will not affect citizens and residents receiving the second dose of the vaccine over the upcoming period, according to current scheduled dates and the availability of the needed quantity for them," the Health Ministry said in a statement carried by state news agency BNA. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,828.45	(1.0)	(1.1)	(3.7)
Silver/Ounce	24.77	(2.9)	(2.6)	(6.2)
Crude Oil (Brent)/Barrel (FM Future)	55.10	(2.3)	(1.6)	6.4
Crude Oil (WTI)/Barrel (FM Future)	52.36	(2.3)	0.2	7.9
Natural Gas (Henry Hub)/MMBtu	2.77	0.0	2.7	16.6
LPG Propane (Arab Gulf)/Ton	95.00	(1.8)	9.8	26.2
LPG Butane (Arab Gulf)/Ton	94.25	(1.0)	10.9	35.6
Euro	1.21	(0.6)	(1.1)	(1.1)
Yen	103.85	0.0	(0.1)	0.6
GBP	1.36	(0.7)	0.2	(0.6)
CHF	1.12	(0.4)	(0.7)	(0.7)
AUD	0.77	(1.0)	(0.7)	0.1
USD Index	90.77	0.6	0.7	0.9
RUB	73.63	0.5	(0.7)	(1.1)
BRL	0.19	(1.8)	2.3	(1.9)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,714.81	(0.9)	(1.4)	0.9
DJ Industrial	30,814.26	(0.6)	(0.9)	0.7
S&P 500	3,768.25	(0.7)	(1.5)	0.3
NASDAQ 100	12,998.50	(0.9)	(1.5)	0.9
STOXX 600	407.85	(1.6)	(1.9)	1.1
DAX	13,787.73	(2.0)	(2.9)	(1.1)
FTSE 100	6,735.71	(1.6)	(1.8)	3.9
CAC 40	5,611.69	(1.8)	(2.8)	0.0
Nikkei	28,519.18	(0.8)	1.5	3.4
MSCI EM	1,358.03	(0.9)	0.3	5.2
SHANGHAI SE Composite	3,566.38	(0.1)	(0.2)	3.4
HANG SENG	28,573.86	0.3	2.5	4.9
BSE SENSEX	49,034.67	(1.2)	0.8	2.6
Bovespa	120,348.80	(3.6)	(1.7)	(0.6)
RTS	1,474.28	(1.8)	0.5	6.3

Source: Bloomberg (*$ adjusted returns)

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