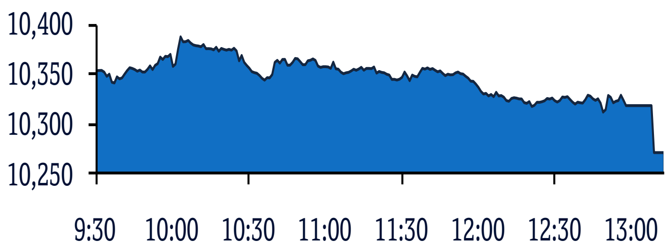
Daily Market Report

Sunday, 21 February 2021

QSEIntra-Day Movement



Qatar Commentary

The QE Index declined 0.7% to close at 10,273.4. Losses were led by the Insurance and Real Estate indices, falling 1.3% and 1.0%, respectively. Top losers were Qatar National Cement Company and Qatar Insurance Company, falling 3.3% and 2.2%, respectively. Among the top gainers, Qatar Aluminium Manufacturing Company gained 2.7%, while Qatar Industrial Manufacturing Company was up 1.8%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.7% to close at 9,024.2. Losses were led by the Diversified Financials and Banks indices, falling 1.6% and 1.5%, respectively. Saudi Cable Co declined 5.2%, while Al-Baha Development & Investment was down 4.9%.

Dubai: The DFM Index fell 0.7% to close at 2,576.3. The Investment & Financial Services index declined 2.1%, while the Real Estate & Construction index fell 1.2%. Al Sagr National Ins. Co. declined 5.0%, while Ekttitab Holding Co was down 3.8%.

Abu Dhabi: The ADX General Index gained 0.1% to close at 5,642.9. The Services and Consumer Staples indices rose 6.4% each. Agthia Group rose 7.2%, while Ras Al Khaimah Cement Company was up 4.2%.

Kuwait: The Kuwait All Share Index fell 0.6% to close at 5,691.3. The Insurance index declined 2.4%, while the Financial Services index fell 1.1%. Arzan Financial Group for Fin & Inv. declined 10.3%, while Metal & Recycling Co. was down 9.7%.

Oman: The MSM 30 Index gained 0.2% to close at 3,565.6. Gains were led by the Services and Financial indices, rising 0.3% and 0.1%, respectively. Sharqiyah Desalination Company rose 8.0%, while Al Jazeera Services Company was up 5.4%.

Bahrain: The BHB Index gained 0.2% to close at 1,481.4. The Industrial index rose 1.0%, while the Commercial Banks index gained 0.7%. Delmon Poultry Company rose 6.3%, while BBK was up 1.2%.

Market Indicators	18Feb21	17Feb21	%Chg.
Value Traded (QR mn)	401.0	456.5	(12.2)
Exch. Market Cap. (QR mn)	591,574.8	595,314.9	(0.6)
Volume (mn)	139.6	172.9	(19.2)
Number of Transactions	10,274	11,488	(10.6)
Companies Traded	47	46	2.2
Market Breadth	16:27	12:31	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,821.46	(0.7)	(2.4)	(1.2)	18.3
All Share Index	3,152.35	(0.7)	(2.5)	(1.5)	18.7
Banks	4,076.72	(0.9)	(2.9)	(4.0)	14.7
Industrials	3,250.53	(0.3)	(0.8)	4.9	28.3
Transportation	3,419.64	(0.1)	(2.3)	3.7	15.7
Real Estate	1,844.29	(1.0)	(2.2)	(4.4)	17.8
Insurance	2,371.88	(1.3)	(3.7)	(1.0)	N.A.
Telecoms	1,059.43	(0.9)	(7.6)	4.8	24.7
Consumer	7,794.36	0.1	(1.7)	(4.3)	28.0
Al Rayan Islamic Index	4,240.53	(0.7)	(1.3)	(0.7)	19.7

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Dr Sulaiman Al Habib	Saudi Arabia	119.0	1.4	411.5	9.2
Bank Sohar	Oman	0.08	1.3	360.0	(16.5)
The Commercial Bank	Qatar	4.36	1.3	1,814.3	(1.0)
Dubai Islamic Bank	Dubai	4.79	1.3	2,632.7	3.9
BBK	Bahrain	0.52	1.2	330.6	3.0

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Banque Saudi Fransi	Saudi Arabia	29.30	(3.6)	475.3	(7.3)
Riyad Bank	Saudi Arabia	20.50	(3.0)	1,423.0	1.5
Southern Prov. Cement	Saudi Arabia	86.10	(2.9)	205.5	2.1
Saudi British Bank	Saudi Arabia	25.00	(2.7)	1,445.4	1.1
Samba Financial Group	Saudi Arabia	32.60	(2.4)	1,142.4	6.7

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Aluminum Manufacturing	1.03	2.7	52,558.1	6.7
Qatar Industrial Manufacturing Co	2.85	1.8	174.9	(11.2)
Medicare Group	8.46	1.8	211.4	(4.3)
The Commercial Bank	4.36	1.3	1,814.3	(1.0)
Qatar Islamic Insurance Company	7.10	1.1	138.0	2.9

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminum Manufacturing	1.03	2.7	52,558.1	6.7
Investment Holding Group	0.56	0.7	11,935.1	(5.8)
Gulf International Services	1.65	0.5	7,463.5	(3.7)
Masraf Al Rayan	4.31	(1.0)	6,959.8	(5.0)
QNB Group	16.35	(1.0)	6,943.4	(8.3)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar National Cement Company	4.56	(3.3)	1,268.7	9.9
Qatar Insurance Company	2.25	(2.2)	550.4	(4.7)
Qatar International Islamic Bank	8.70	(1.8)	1,210.3	(3.9)
Barwa Real Estate Company	3.28	(1.7)	2,719.1	(3.6)
Qatar Islamic Bank	16.65	(1.4)	1,471.0	(2.7)

QSE Top ValueTrades	Close*	1D%	Val. '000	YTD%
QNB Group	16.35	(1.0)	114,282.7	(8.3)
Qatar Aluminum Manufacturing	1.03	2.7	53,889.6	6.7
Masraf Al Rayan	4.31	(1.0)	30,150.4	(5.0)
Qatar Islamic Bank	16.65	(1.4)	24,765.1	(2.7)
Industries Qatar	12.12	(0.2)	15,503.6	11.5

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*	10,273.35	(0.7)	(2.4)	(1.9)	(1.6)	108.85	160,553.4	18.3	1.5	3.7
Dubai	2,576.32	(0.7)	(2.2)	(2.9)	3.4	48.75	95,001.3	21.1	0.9	3.8
Abu Dhabi	5,642.85	0.1	(0.4)	0.9	11.8	246.99	215,663.6	22.6	1.5	4.3
Saudi Arabia	9,024.23	(0.7)	0.9	3.7	3.9	3,168.08	2,439,017.8	34.6	2.1	2.3
Kuwait	5,691.34	(0.6)	(0.1)	(1.5)	2.6	139.00	107,034.3	43.4	1.4	3.4
Oman	3,565.55	0.2	0.2	(2.4)	(2.5)	4.29	16,087.0	10.8	0.7	7.7
Bahrain	1,481.38	0.2	1.3	1.3	(0.6)	7.40	22,683.5	18.8	1.0	4.5

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

Qatar Market Commentary

- The QE Index declined 0.7% to close at 10,273.4. The Insurance and Real Estate indices led the losses. The index fell on the back of selling pressure from Foreigners shareholders despite buying support from Qatari, GCC and Arab shareholders.
- Qatar National Cement Company and Qatar Insurance Company were the top losers, falling 3.3% and 2.2%, respectively. Among the top gainers, Qatar Aluminium Manufacturing Company gained 2.7%, while Qatar Industrial Manufacturing Company was up 1.8%.
- Volume of shares traded on Thursday fell by 19.2% to 139.6mn from 172.9mn on Wednesday. Further, as compared to the 30-day moving average of 174.0mn, volume for the day was 19.8% lower. Qatar Aluminium Manufacturing Company and Investment Holding Group were the most active stocks, contributing 37.7% and 8.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	33.17%	29.09%	16,335,358.0
Qatari Institutions	23.76%	13.72%	40,242,999.1
Qatari	**56.93%**	**42.81%**	**56,578,357.1**
GCC Individuals	0.21%	0.13%	311,008.7
GCC Institutions	3.53%	2.29%	4,982,612.0
GCC	**3.74%**	**2.42%**	**5,293,620.8**
Arab Individuals	8.67%	7.60%	4,308,306.8
Arab Institutions	0.06%	–	248,000.0
Arab	**8.73%**	**7.60%**	**4,556,306.8**
Foreigners Individuals	3.62%	1.75%	7,504,975.7
Foreigners Institutions	26.98%	45.42%	(73,933,260.3)
Foreigners	**30.60%**	**47.17%**	**(66,428,284.7)**

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
Ooredoo	Moody's	Qatar	LTR	–	A2	–	–	–

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

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2020	% Change YoY	Operating Profit (mn) 4Q2020	% Change YoY	Net Profit (mn) 4Q2020	% Change YoY
Saudi Cement Co.*	Saudi Arabia	SR	1,569.6	8.9%	479.1	-2.4%	456.0	1.0%
BH Mubasher Financial Services *	Dubai	AED	41.1	68.2%	–	–	5.8	1652.9%
Bahrain & Kuwait Insurance Co.*	Bahrain	BHD	–	–	–	–	3.8	41.0%
Seef Properties*	Bahrain	BHD	11.5	-32.7%	10.4	-31.2%	4.5	-58.6%

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
02/18	US	Department of Labor	Initial Jobless Claims	13-Feb	861k	773k	848k
02/18	US	Department of Labor	Continuing Claims	6-Feb	4,494k	4,425k	4,558k
02/18	US	Bloomberg	Bloomberg Consumer Comfort	14-Feb	45.8	–	44.9
02/18	US	Bloomberg	Bloomberg Economic Expectations	Feb	48.5	–	39.5
02/19	US	Markit	Markit US Manufacturing PMI	Feb P	58.5	58.8	59.2
02/19	US	Markit	Markit US Composite PMI	Feb P	58.8	–	58.7
02/19	US	Markit	Markit US Services PMI	Feb P	58.9	58.0	58.3
02/19	UK	GfK NOP (UK)	GfK Consumer Confidence	Feb	-23	-26	-28
02/19	UK	Markit	Markit UK PMI Manufacturing SA	Feb P	54.9	53.1	54.1
02/19	UK	Markit	Markit/CIPS UK Services PMI	Feb P	49.7	42.0	39.5
02/19	UK	Markit	Markit/CIPS UK Composite PMI	Feb P	49.8	42.6	41.2
02/18	EU	European Commission	Consumer Confidence	Feb A	-14.8	-15.0	-15.5
02/19	EU	Markit	Markit Eurozone Manufacturing PMI	Feb P	57.7	54.3	54.8
02/19	EU	Markit	Markit Eurozone Services PMI	Feb P	44.7	45.9	45.4
02/19	EU	Markit	Markit Eurozone Composite PMI	Feb P	48.1	48.0	47.8
02/19	Germany	German Federal Statistical Office	PPI MoM	Jan	1.40%	0.90%	0.80%
02/19	Germany	German Federal Statistical Office	PPI YoY	Jan	0.90%	0.30%	0.20%
02/19	Germany	Markit	Markit/BME Germany Manufacturing PMI	Feb P	60.6	56.5	57.1
02/19	Germany	Markit	Markit Germany Services PMI	Feb P	45.9	46.5	46.7
02/19	Germany	Markit	Markit/BME Germany Composite PMI	Feb P	51.3	50.5	50.8
02/19	France	INSEE National Statistics Office	CPI MoM	Jan F	0.20%	0.20%	0.20%
02/19	France	INSEE National Statistics Office	CPI YoY	Jan F	0.60%	0.60%	0.60%
02/19	France	Markit	Markit France Manufacturing PMI	Feb P	55.0	51.5	51.6
02/19	France	Markit	Markit France Services PMI	Feb P	43.6	47.0	47.3
02/19	France	Markit	Markit France Composite PMI	Feb P	45.2	47.5	47.7
02/18	Japan	Japan Machine Tool Builders' A	Machine Tool Orders YoY	Jan F	9.70%	–	9.70%
02/19	Japan	Markit	Jibun Bank Japan PMI Mfg	Feb P	50.6	–	49.8
02/19	Japan	Markit	Jibun Bank Japan PMI Services	Feb P	45.8	–	46.1
02/19	Japan	Markit	Jibun Bank Japan PMI Composite	Feb P	47.6	–	47.1

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
DOHI	Doha Insurance Group	22-Feb-21	1	Due
QNNS	Qatar Navigation (Milaha)	23-Feb-21	2	Due
AHCS	Aamal Company	23-Feb-21	2	Due
MCGS	Medicare Group	23-Feb-21	2	Due
MPHC	Mesaieed Petrochemical Holding Company	23-Feb-21	2	Due
MERS	Al Meera Consumer Goods Company	23-Feb-21	2	Due
QGRI	Qatar General Insurance & Reinsurance Company	28-Feb-21	7	Due
QISI	Qatar Islamic Insurance Group	28-Feb-21	7	Due
AKHI	Al Khaleej Takaful Insurance Company	3-Mar-21	10	Due
WDAM	Widam Food Company	3-Mar-21	10	Due
QGMD	Qatari German Company for Medical Devices	4-Mar-21	11	Due
DBIS	Dlala Brokerage & Investment Holding Company	8-Mar-21	15	Due

Source: QSE

News

Qatar

- **GISS reports adjusted net loss, excluding one-offs such as impairment, of QR10mn in 2020 vs. net income of QR44mn in 2019 –** Gulf International Services (GISS) reported net loss of QR367.3mn in 4Q2020 as compared to net profit of QR9.0mn in 4Q2019 and net loss of QR5.2mn in 3Q2020, versus our net loss estimation of QR184.5mn. However, adjusted net loss (excluding one-offs such as impairment losses on property, plant, equipment and intangible asset) stood at QR0.2mn in 4Q2020 (4Q2019: net profit of QR8.1mn and 3Q2020: net loss of QR78.1mn). The company's revenue came in at QR732.1mn in 4Q2020, which represents a decrease of 5.3% YoY. However, on QoQ basis Revenue rose 3.5%. In FY2020, GISS recorded net loss of QR318.5mn as compared to net profit of QR43.6mn in FY2019. Loss per share amounted to QR0.171 in FY2020 as compared to earnings per share of QR0.023 in FY2019. Revenue for the fourth quarter of 2020 represented a moderate increase of 4%, compared to the third quarter of 2020, mainly on the back of growth from aviation segment, where, segmental revenue grew by 32%, on a QoQ basis. The growth in aviation segment's revenue was backed by improved flying hours within the domestic segment, revenue growth from the Turkish subsidiary; Red Star aviation, and better revenue generated from MRO business due to increased maintenance and overhaul work performed in relation to a domestic contract. On the other hand, the drilling segment's revenue reduced marginally by 1% compared to 3Q2020. The catering segment reported a reduction of 1% in terms of revenue, due to demobilization of a contract. Revenues from insurance segment also witnessed a reduction of 8% compared to previous quarter, mainly due to fewer policies underwritten in 4Q2020, as no major renewal have occurred. A net loss of QR367mn was reported for 4Q2020, as compared to a net loss of QR5mn in 3Q2020. This notable increase in loss was mainly attributed to booking of impairment loss of QR221mn within the drilling segment related to Msherib and GDI-3, QR6mn in relation to impairment of financial assets and an impairment loss of QR87mn related to the old non-operating bell aircrafts within the aviation segment. Group's revenue for the year ended December 31, 2020 amounted to QR3.0bn, and remained at the same level of last year. Revenue growth from the aviation and insurance segments was entirely offset by reduction in revenue from the drilling and catering segments. The Group reported an EBITDA of QR565mn for the year ended December 31, 2020, while the Group posted a net loss of QR319mn year ended December 31, 2020. Group's bottom line profitability was primarily impacted due to booking of one-off, non-cash impairment loss of QR308mn. The impairment loss was mainly related to the retirement of one onshore and one offshore rigs within the drilling segment, in addition to the impairment provision in relation to 19 old non-operating bell aircrafts within the aviation segment. Excluding the impact of one-off, non-cash impairment losses, the Group's bottom line performance reached to a net loss of QR10mn for the financial year 2020. The financial performance was also negatively impacted by the drilling segment, as a result of significant drop in revenue due to premature suspension of some rigs within the onshore fleet and re-pricing of drilling day rates lower than the previous levels. On the other hand, results were positively impacted, underpinned by growth in revenue within the aviation segment on the back of strong operational performance owing to market expansion strategy, specifically in the international markets, growth within the domestic fleet and MRO business. Similarly, insurance segment continued its positive trajectory while building on premiums on the back of aggressive market expansion strategies and successful contract renewals coupled with favorable pricing terms. The Group also benefitted from the continued current low interest rates, which positively impacted the financial performance for the year 2020, where Group's finance cost declined by 31% to reach QR162mn, as compared to QR237mn for last year. The Group's total assets declined by 8% during the year, to reach QR10bn as at December 31, 2020, compared to last year. On the liquidity front, the closing cash, including short-term investments, stood at QR691mn, down by 24% as compared to December 31, 2019. The total debt at Group level stood at QR4.4bn as at December 31, 2020. The Board of Directors recommends no dividend payment for the financial year ended December 31, 2020, in order for the Group to deploy the retained funds to capture the present and future opportunities. (QNB FS Research, QSE, Company Press Release)
- **Fully vaccinated residents exempted from quarantine –** The Ministry of Public Health (MoPH) on Thursday announced that fully vaccinated citizens and residents of Qatar are now exempt from quarantine requirements after travel abroad and following exposure to a COVID-19 positive case, Qatar News Agency reported. Explaining the quarantine exemption criteria, Dr Abdullatif al-Khal, chair of the National Health Strategic Group on COVID-19 and head of Infectious Diseases at Hamad Medical Corporation, said at least 14 days must have passed after taking the second dose of the vaccine. A negative PCR test is also required after returning to Qatar or getting exposed to a positive case. Further, Dr. al-Khal said the quarantine exemption is valid for a period of three months, starting 14 days after the second dose. He added that the period could be extended in the future with the availability of more clinical evidence. He also said the exemption does not currently apply to people who are vaccinated in other countries. (Gulf-Times.com)
- **QGMD to disclose its annual financial results on March 04 –** Qatari German Company for Medical Devices (QGMD) will disclose its financial statement for the period ending December 31, 2020 on March 04, 2021. (QSE)
- **SIIS announces the closure of nominations for board membership –** Salam International (SIIS) announced the closure of the period for nomination for the membership of its board of directors for 2021 - 2023 on 03/02/2021 at 05:00 pm. (QSE)
- **ZHCD board of directors to meet on March 06 –** Zad Holding Company (ZHCD) has announced that its board of directors will be holding a meeting on March 06, 2021 to discuss (1) Review and approve the financial reports of the company for the financial year ended December 31, 2020. (2) Discuss the dividends proposals for the year 2020. (3) Any other related matters. (QSE)
- **MCGS announces the closure of nominations for board membership –** Medicare Group (MCGS) announced the closure

of the period for nomination for the membership of its board of directors for 2021 - 2023 on February 18, 2021 at 05:00 pm. (QSE)

- **Moody's affirms ORDS' ratings with stable outlook –** International credit rating agency Moody's has affirmed the 'A2' long-term issuer rating of Ooredoo (ORDS), as well as the 'A2' backed senior unsecured ratings on Ooredoo International Finance and the '(P)A2' backed senior unsecured medium-term note program rating under Ooredoo Tamweel. The outlook on all the ratings is "stable", reflecting Moody's expectation of sustained operating performance in the next 12-18 months and a gradual deleveraging within its guidance for the rating. The outlook also factors in the company's shift away from capital-intensive international expansion and towards optimizing existing operations. The affirmation of the ratings reflects the Ooredoo's resilient performance in 2020 despite the impact of the Covid-19 outbreak. In 2020, revenue and EBITDA (earnings before interest taxes depreciation amortization) declined by 4% and 6% respectively compared to 2019. Moody's expects the negative trend to reverse in 2021, driven by a continued increase in revenue in Indonesia as well as a slight increase in revenue in Qatar, as the economy recovers. The rating agency expects Ooredoo's EBITDA margin to improve to levels around 45% over the course of the next couple of years as the company will benefit from the efficient rollout of future cost optimization programs. While Ooredoo's leverage and cash flow metrics have weakened slightly in 2020 compared to 2019, the telecom company's ratings "remain well positioned" within its 'baa2' baseline credit assessment (BCA) and 'A2' long-term issuer rating. Ooredoo's BCA and issuer ratings continue to benefit from the company's leading position in the high margin and resilient Qatari telecommunication services market where it holds a 75% market share and one of the top players in the large-scale Indonesian market. Besides, Ooredoo has strong liquidity with a cash balance and undrawn committed credit facilities covering all group debt maturities for the next couple of years, despite high dividend payments. The BCA also reflects Ooredoo's exposure to foreign-currency volatility; mitigated by the fact that operating subsidiary debt is substantially in local currency. Ooredoo's 'A2' issuer rating reflects its standalone creditworthiness as expressed by a BCA of baa2, combined with a 'high' level of dependence and a 'high' level of support from the government. Moody's support assumptions remain unchanged. Ooredoo has a strong liquidity profile. As of December 31, 2020, Ooredoo had QR14.6bn in group cash and undrawn committed dollar-denominated credit lines of QR637mn available at the Ooredoo level. This, in addition to QR9.3bn of expected funds from operations in the next 12 months, would more than cover debt maturities (including lease liabilities) of QR6.3bn, the expected capital spending of QR5.3bn and the dividend payments of QR1.1bn during the same period, Moody's said. (Gulf-Times.com)
- **ORDS signs with Cisco to drive adoption of 'Business EDGE' solution for hybrid work –** Ooredoo (ORDS) has signed an agreement with global technology provider Cisco to further accelerate the adoption of Ooredoo Business EDGE, a value addition over the fibre broadband service. Ooredoo Business EDGE meets all of an organization's connectivity needs with enhanced control, security, and value-added services. Organizations can manage multiple devices and sites and securely scale their Software-Defined Wide Area Networks (SD-WAN). With Business EDGE, customers can now manage hybrid working environments, and enhance network performance at each of their business branches. Ooredoo, which co-developed Business EDGE using Cisco Meraki, emphasizes the importance of supporting the digital journey for small and medium-sized enterprises (SMEs) and small offices and home offices (SOHOs) organizations. The solution continues Ooredoo's strong partnership with Cisco, with Ooredoo already being a Cisco Gold Certified Partner since 2018. Cisco's expertise includes delivering a 'cloud first' SD-WAN solution, which provides a secure seamless user experience, while maintaining security and connecting to cloud applications. The deployment of scalable SD-WAN architecture aims to result in a more dependable, efficient and responsive IT infrastructure. Business EDGE aims to provide increased user productivity by optimizing cloud and on-premises application performance with real-time analytics, visibility and control. (Gulf-Times.com)
- **QP remains fully committed to reducing emissions –** Qatar Petroleum remains fully committed to reducing emissions from its own operations and where it holds equity, and understands the need to account for GHG emissions along its value chains to accelerate decarbonizing society. In its latest Sustainability Report, QP said, "We are focusing on reducing emissions from the use of our products in the transport segment. We are investing in environmentally friendly fuels, which can be blended with existing fuels such as jet and diesel to reduce GHG emission from transportation and aviation." "When used in light-duty vehicles (LDVs) and aircraft, these fuels can be a cost-effective to reduce CO2 emissions. Two initiatives currently taking place are the GTL jet blending project and the use of compressed natural gas (CNG) fuel within Qatar's industrial cities." Through the GTL diesel blending project, QP is planning to supply environmentally-friendly diesel to local markets and achieve diesel supply chain resiliency in Qatar. The use of blended GTL diesel, QP said, has "many positive environmental attributes and will help reduce" environmental emissions. "Indeed, the use of GTL diesel fuel in vehicles results in large reductions of carbon monoxide, hydrocarbon and particulate emissions without compromising NOx emissions. Furthermore, GTL diesel is an ultra-clean fuel containing virtually no Sulphur and no aromatics. It is odor-free with a Cetane number > 70." According to QP, the use of natural gas as a transportation fuel has grown at an "impressive" rate over the last few years around the world. It is set to accelerate, given its economic and environmental benefits. CNG offers many advantages over diesel and gasoline fuels for the transportation fleet. It provides substantial savings in operating cost, reduction in emissions and pollutant levels, and extends the life of the engine. Another key health benefit in using CNG fuel is the removal of particulate matters (PM), which are known to be carcinogenic. CNG vehicles do not produce evaporative emissions, as the fuel systems are completely sealed. QP has launched the CNG project to develop natural gas as an alternative transportation fuel and encouraging its use in transportation within industrial areas. As part of this project, QP plans a phased replacement of the existing diesel buses currently operating within the industrial areas (Ras Laffan and

Mesaieed) with a new purpose-built CNG fleet in a phased manner. The plan also includes the use of CNG buses during the construction phase of future LNG projects. (Gulf-Times.com)

- **Rising fuel sales signal economic recovery –** The economic recovery in Qatar continues to grow stronger. The sale of fuel (petrol and diesel) in the country has shown a consistent growth in the past quarters, showing acceleration in economic activity. Retail fuel sales volume in Qatar have shown upward trend in the third quarter (July, August, September) and fourth quarter (October, November, December) of 2020. Retail diesel sale was 192 MM liters during the second quarter of last year, which went up to 229 MM liters in the third quarter of 2020, showing a surge of around 19%, according to data from Qatar Fuel Company (Woqod). The share of Woqod in the petroleum retail market was about 85% at the end of last year. In the next quarter (October, November & December) retail diesel sale increased to 230 MM liters, which is around 20% more than the sale in second quarter. Similar rising trend was also visible in quarterly retail gasoline (petrol) volumes. Retail gasoline sale by Woqod was 370 MM liters in the second quarter of last year which increased to 536 MM liters in the third quarter of 2020, registering a rise of 45%. The growth momentum continued in the next quarter also as 553 MM liters during the fourth quarter, which was around 50% more than the sales in the second quarter. The economic activities in Qatar had slowed down during the second quarter of last year due to restrictions imposed to limit the spread of COVID-19. People started working from home, and avoided going outside to prevent the spread of coronavirus. With government's proactive policies, the number of infections came down which led to gradual easing of restrictions in the third and fourth quarters. This resulted in the increased in mobility and acceleration in economic activity in the country. "The fourth quarter was significantly better than the second and the third quarter of last year. The demand for rental cars have risen by around 20% in the fourth quarter compared to the third quarter of last year," a senior official of car rental company told The Peninsula. Even the annual sales of diesel have shown growth. In 2020, diesel sales increased by 8% compared to previous year. Last year, Woqod witnessed sale of 853 MM liters of diesel while in 2019 the sale of diesel was 791 MM liters. Woqod has the largest share in petroleum retail market. The share of Woqod in the petroleum retail market increased by 3% to about 85% at the end of 2020 compared to the previous year (2019). Woqod started operations in 2002 with exclusive rights for storage and distribution of petroleum products in Qatar. Its operations started with two petrol stations in 2003 and have grown to 108 stations at the end of December 2020. (Peninsula Qatar)
- **CWQ: End of Gulf crisis seen to provide a timely boost to Qatar hospitality sector –** The end of Gulf crisis in January is set to provide a timely boost to the hospitality sector in Qatar where more than 20,000 additional hotel keys are currently under construction and will be completed before the FIFA World Cup in 2022, according to Cushman & Wakefield Qatar (CWQ). Before the introduction of the siege, tourism from within the Gulf Cooperation Council (GCC) contributed almost 50% of all arrivals to Qatar, CWQ said in a report. The COVID-19 pandemic delayed the delivery of new hotels in 2020, which is likely to result in a sharp increase in supply in 2021, it said. Quoting National Tourism Council Statistics, the CWQ report said the supply of hotel keys increased to 28,249, by September 2020, a 5% increase in 12 months. The most recently released statistics from the NTC show that Covid-19 lockdown measures severely impacted hotel performance from March of 2020, after a promising start to the year. Despite an increase in year-on-year tourist arrivals by 32% in January and February, year-to-date arrivals had fallen by 63% by the end of September. Overall, Qatar's hotel occupancy rates reached 69% in February 2020, underscoring the improving performance in the tourism sector; however, the introduction of lockdown measures resulted in an immediate drop to 55% in March. While the government utilized several hotels for quarantine purposes throughout the year, the occupancy rates for available hotels fell to between 44% and 46% during the summer months, CWQ said. Overall, average daily rates (ADR) fell below QR297 in May but recovered to QR437 in August. The ADR had dropped just 2% on 2019 figures for the nine months to the end of September. (Gulf-Times.com)
- **CWQ: Residential sales in Qatar jump after amendments to ownership laws –** Qatar has seen "significant" jump in residential sales, especially in Lusail, in the recent months after the government allowed the expatriates to purchase real estate in 10 zones, according to Cushman and Wakefield Qatar (CWQ). In its fourth quarter report, CWQ said the country's residential market will be influenced by the FIFA World Cup as the Supreme Committee for Delivery and Legacy is expected to lease several apartments for one to five years from late 2021. "Recent amendments to real estate ownership laws allowing non-Qataris to purchase real estate in 10 zones have significantly boosted the residential sales market in recent months," CWQ said in its latest report. This has been most notable in Lusail where apartments in the Al Erkyah and Yasmeen districts have seen an increasing volume of sales, it said, adding demand for real estate sales has been boosted by expatriate purchasers, who can take advantage of the new ownership laws. The laws provide owners with the permanent residency card privileges for property investment above QR3.65mn and the benefit of a residency permit without a sponsor for those spending more than QR730,000. The release of apartments in Lusail for prices between QR800,000 and QR1.8mn are typically available with flexible payment plans, providing an opportunity to invest in property that had not been available to the same degree before 2019. According to the Planning and Statistics Authority, there was a 25% increase in residential sales transactions in October and November 2020 compared to the same months in 2019. As per the amendments, the 16 areas eligible for usufruct are Msheireb, Fareej Abdulaziz, Al Doha Al Jadeeda, Al Ghanim Alateeq, Al Rifa, Al Hitmi Al Ateeq, As Salatah, Bin Mahmoud 22, Bin Mahmoud 23, Roudet Al Khail, Al Mansoura, Bin Dirham, Al Najma, Umm Ghawlina, Al Khulaifat, Al Sadd, Al Mirqab Al Jadeed, Al Nasr, Doha International Airport. (Gulf-Times.com)
- **Siemens Energy 'Qatar Energy Days' highlights country's role in advancing energy transition globally –** Siemens Energy concluded a three-day virtual conference, entitled "Qatar Energy Days," which brought together participants from across government, energy and industrial sectors, focusing on the technologies to meet and surpass energy-related goals under

Qatar's Vision 2030. The event highlighted Qatar's role in advancing the energy transition globally, its potential for creating a domestic hydrogen economy, as well as the evolving global energy trends. The virtual conference, which took place from February 15 to 17 was attended by more than 350 participants and brought together a wide variety of perspectives from local experts in generation, transmission, and industrial applications; as well as government officials, in order to help shape the energy of tomorrow. "Qatar's government is making it a priority to find harmony between economic growth and protecting the environment in order to mitigate the effects of pollution and global warming," Siemens Energy said. "Qatar has already adopted initiatives to protect the environment and reduce carbon emissions, but its energy transformation is still in the early stages. We hope that discussions like the ones we had will help accelerate the energy transformation in Qatar," said Siemens Energy in Qatar, Managing Director, Herbert Klausner. (Gulf-Times.com)

- **NW Europe LNG Tracker: Qatar returns after January absence –** Qatari LNG cargoes are headed back to the region with the first shipment since December scheduled for the end of this month, ship-tracking data on Bloomberg showed. Mozah, the biggest type of LNG tanker with capacity of 261,988 cubic meters, will arrive in UK's Milford Haven port on February 27. No Qatari shipments were present in northwest Europe since a sole cargo in December as a cold winter pulled the fuel to Asia, leaving Europe almost predominantly reliant on supply from Atlantic basin producers Russia and the US (Bloomberg)
- **LNG Tender: Qatar bids lowest for Pakistan April cargo –** Qatar Petroleum (QP) submitted the lowest offer in Pakistan LNG's tender to supply a spot cargo on an ex-ship basis to Port Qasim Karachi, according to traders with knowledge of the results. QP offered 10.025% of Brent oil price for the cargo to be delivered on April 9-10. Bid submission date was Thursday. Other bids came from PetroChina, Total, Gunvor, Posco and DXT Commodities. (Bloomberg)
- **Qatar's real estate trading volume exceeds QR400mn during February 7-11 –** The total value of real estate transactions in the sales contracts registered with the Real Estate Registration Department of the Ministry of Justice between February 7 to 11 was QR477,867,503. The types of real estate traded included plots of land, houses, residential buildings, multi-use buildings, and a residential complex. Most of the trading took place in the municipalities of Al Rayyan, Al Da'ayen, Umm Salal, Doha, Al Shamal, Al Khor, Al Dhakira, and Al Wakrah. The volume of real estate circulation during the period from January 31 to February 4 reached QR 374,292,276. (Bloomberg)
- **FIFA, AFC postpone Asian Qualifiers for Qatar 2022 , AFC Asian Cup China 2023 –** Taking into consideration the existing travel and quarantine restrictions caused by the Covid-19 pandemic across the continent and following a process of close consultation with Asia's Member Associations, the Asian Football Confederation (AFC) and FIFA have jointly agreed to postpone the majority of the upcoming Asian Qualifiers for the FIFA World Cup Qatar 2022 and AFC Asian Cup China 2023. (Gulf-Times.com)
- **Qatar Airways to operate one flight per day from Tbilisi to Doha –** The state-owned flag carrier of Qatar, Qatar Airways will operate daily flights between Doha and Tbilisi, Trend reports via Georgian media. At the first stage, the company will operate one flight per day from Tbilisi to Doha. Regular international flights resumed in Georgia since February 1. On January 29, the Civil Aviation Agency of the Ministry of Economy and Sustainable Development of Georgia granted the airlines permission to operate in accordance with the submitted schedule. Air traffic in Georgia was completely suspended in March 2020, after which only Georgian Airlines operated in the country for several months and carried out special flights in order to return Georgian citizens from foreign countries back home, as part of the anti-COVID measures. (Bloomberg)
- **Qatar Airways to be first global airline to offer '100% Zero-Touch' entertainment –** Qatar Airways will soon become the first global airline to offer passengers '100% Zero-Touch technology' for its "award-winning" Oryx One in-flight entertainment system across the A350 fleet as part of the airline's latest Covid-19 safety measures. The Zero-Touch technology, introduced in partnership with the Thales AVANT IFE system, will enable A350 passengers to pair their personal electronic devices (PEDs) with their seat-back IFE screen by connecting to 'Oryxcomms' Wi-Fi and simply scanning a QR code displayed on the screen. They can then use their PEDs to navigate and enjoy more than 4,000 options on offer through the airline's award-winning Oryx One in-flight entertainment system, limiting the frequency of on board surface contact and providing greater peace of mind throughout the duration of their journey. Qatar Airways is also set to become the first airline in Europe and the Middle East and North Africa region to offer passengers in Business and Economy the option to pair their personal Bluetooth headphones with the on-board seatback IFE system in all cabins on the Boeing 787-9 fleet. (Gulf-Times.com)

International

- **US existing home sales unexpectedly rise in January –** US home sales unexpectedly rose in January despite tight inventories boosting house prices. The National Association of Realtors said on Friday that existing home sales increased 0.6% to a seasonally adjusted annual rate of 6.69mn units last month. Sales have been increasing even as contracts have been declining. Economists polled by Reuters had forecast sales would fall 1.5% to a rate of 6.61mn units in January. Home resales, which account for the bulk of US home sales, surged 23.7% on a YoY basis. The housing market, the economy's star performer during the COVID-19 recession, is being supported by historically low mortgage rates and demand for spacious accommodations for home offices and schooling, mostly in the suburbs and other lower-density areas. But demand has far outstripped supply, driving up home prices. About 23.2% of the labor force is working from home. Last month, sales fell in the Northeast and West. They, however, rose in the South and the Midwest. There were a record-low 1.04 million previously owned homes on the market in January, down 25.7% from one year ago. The median existing house price shot up 14.1% from a year ago to $303,900 in January. The inventory crunch could ease as builders step up construction, though they are facing challenges from record lumber prices as well as shortages of land and labor. The government reported on Thursday that permits for future home building soared in January to their highest level since May 2006. At January's sales pace, it would take 1.9 months to exhaust the current inventory, down from 3.1 months a year ago. A six-to-seven-month supply is viewed as a healthy balance between supply and demand. (Reuters)

- **US labor market struggling to regain momentum –** The number of Americans filing first-time applications for unemployment benefits unexpectedly increased last week, raising the possibility of a second straight month of tepid job growth despite declining new COVID-19 infections. The weekly unemployment claims report from the Labor Department on Thursday, the most timely data on the economy's health, could add impetus to President Joe Biden's push for a $1.9tn package to aid the recovery from the pandemic. At least 18.3mn Americans were receiving unemployment checks at the end of January. Government-funded benefits for millions of these people will expire in mid-March unless Congress approves the Biden administration's spending plan. "Robust pandemic aid is precisely the medicine the economy needs to get Americans back where they want to be, at work," said Andrew Stettner, senior fellow at The Century Foundation. Initial claims for state unemployment benefits increased 13,000 to a seasonally adjusted 861,000 for the week ended February 13. Data for the prior week was revised to show 55,000 more applications received than previously reported. There were big jumps in filings in California and Illinois, while claims in Ohio remained elevated. (Reuters)
- **US import prices post biggest gain since 2012 –** US import prices increased by the most in nearly nine years in January, lifted by higher prices for energy products and a weak dollar, supporting expectations for an acceleration in inflation in the coming months. The Labor Department said on Thursday import prices jumped 1.4% last month, the biggest gain since March 2012, after increasing 1.0% in December. Economists polled by Reuters had forecast import prices, which exclude tariffs, gaining 1.0% in January. In the 12 months through January, import prices rebounded 0.9% after slipping 0.3% in December. That was the biggest year-on-year gain since October 2018 and followed 11 straight monthly declines. Inflation is being closely watched amid concerns from some quarters that President Joe Biden's proposed $1.9tn COVID-19 recovery plan could cause the economy to overheat. But inflation is likely to be driven by the labor market, which is experiencing considering slack. The government last week reported a moderate increase in consumer prices in January. Producer prices recorded their largest increase since 2009 in January, in part reflecting bottlenecks in the supply chain caused by the coronavirus pandemic. Imported fuel prices increased 7.4% last month after soaring 8.1% in December. Imported food prices surged 2.1%. Excluding fuels and foods, import prices accelerated 0.8% after gaining 0.4% in December. The rise in the so-called core import prices reflected the dollar's 2.7% drop last year against the currencies of the US' main trade partners. Last month, the cost of goods imported from China rose 0.3% for a second straight month. Prices for imported capital goods gained 0.2%. The cost of imported motor vehicles rose 0.2%. Prices for consumer goods excluding autos dipped 0.1%. The report also showed export prices surged 2.5% in January, the largest rise since the index was first published on a monthly basis in December 1988, after increasing 1.3% in December. Prices for agricultural exports rose 6.0%, while nonagricultural exports increased 2.2%. Export prices increased 2.3% on a YoY basis in January, the largest gain October 2018, after rising 0.4% in December. (Reuters)
- **US housing starts fall in January; permits soar –** US homebuilding fell more than expected in January amid soaring lumber prices, though a surge in permits for future construction suggested the housing market remains supported by lean inventories and historically low mortgage rates. Housing starts decreased 6.0% to a seasonally adjusted annual rate of 1.580mn units last month, the Commerce Department said on Thursday. Economists polled by Reuters had forecast starts would drop to a rate of 1.658mn units in January. Homebuilding fell 2.3% on a YoY basis. The housing market has outperformed other sectors of the economy during the COVID-19 pandemic, supported by lower mortgages rates and demand for spacious accommodations for home offices and schooling. But expensive inputs and lack of land pose a threat to continued robust housing market gains. A survey on Wednesday showed confidence among single-family homebuilders edged up in February. But builders complained that record high lumber prices were "adding thousands of dollars to the cost of a new home and causing some builders to abruptly halt projects." Softwood lumber prices jumped a record 73% on a YoY basis in January, according to data from the Labor Department. Still, the housing market remains supported by historically low mortgage rates and lean inventories of previously owned homes. Permits for future homebuilding shot up 10.4% to a rate of 1.881mn units in January. Permits typically lead starts by one to two months. (Reuters)
- **UK economy shows signs of stabilization after new lockdown hit –** Britain's economy has stabilized after a new COVID-19 lockdown last month hit retailers, and business and consumers are hopeful the vaccination campaign will spur a recovery, data showed on Friday. The IHS Markit/CIPS flash composite Purchasing Managers' Index, a survey of businesses, suggested the economy was barely shrinking in the first half of February as companies adjusted to the latest restrictions. A separate survey of households showed consumers at their most confident since the pandemic began. Britain's economy had its biggest slump in 300 years in 2020, when it contracted by 10%, and will shrink by 4% in the first three months of 2021, the Bank of England predicts. The central bank expects a strong subsequent recovery because of the COVID-19 vaccination program - though policymaker GertjanVlieghe said in a speech on Friday that the BoE could need to cut interest rates below zero later this year if unemployment stayed high. Prime Minister Boris Johnson is due on Monday to announce the next steps in England's lockdown but has said any easing of restrictions will be gradual. Official data for January underscored the impact of the latest lockdown on retailers. Retail sales volumes slumped by 8.2% from December, a much bigger fall than the 2.5% decrease forecast in a Reuters poll of economists, and the second largest on record. (Reuters)
- **CBI: UK industrial orders index rebounds in February –** British manufacturers reported the smallest hit to their order books this month since the start of the coronavirus pandemic, and see

output stabilizing after a sharp drop in January, the Confederation of British Industry said on Friday. The CBI's monthly industrial orders balance jumped to -24 in February from -38 in January, its highest reading since February 2020, before the coronavirus pandemic, though still below its long-run average of -14. "Manufacturing activity remains patchy, but so far appears to have taken a smaller hit than in previous lockdowns," CBI economist Alpesh Paleja said. Output expectations for the next three months rose to -2 from January's reading of -24. Britain entered its third coronavirus lockdown in January, which closed most businesses to the public. Employees can still go to their workplace if working from home is not practical. The majority of manufacturing sub-sectors reported growth but the index was dragged down by sharp declines for vehicle manufacturers and food and drink companies. Food and drink exports have been some of the hardest hit by new customs rules for trade with the European Union which took effect on January 1. The survey was based on responses from 296 manufacturers between January 27 and February 12. (Reuters)

- **GfK: UK consumers most confident since pandemic struck –** British consumers are their most confident since the COVID-19 pandemic struck almost a year ago, buoyed by hopes that the country's fast COVID-19 vaccinations program will boost the economy, a survey showed on Friday. The overall consumer confidence index from market research firm GfK rose five points to -23, due mostly to a 14-point improvement in views about the economy over the next 12 months. A Reuters poll of economists had pointed to a much smaller improvement in the overall index to -27. Joe Staton, GfK's client strategy director, warned that it was more realistic to look at the challenges ahead than think about a return to normality. "We need to be cautious because the positive tailwinds of the vaccination roll-out are being met by the very strong headwinds of unemployment, the threat of inflation and the difficulty that many face in affording day-to-day living costs," he said. Finance minister Rishi Sunak is expected to announce more jobs support in a budget plan on March 3. Prime Minister Boris Johnson is moving cautiously with regard to lifting social distancing restrictions that contributed to the economy shrinking by 10% last year, the most in three centuries. But Sunak is expected to start weaning the economy off his nearly 300bn Pound ($419bn) emergency rescue program as soon as he can. In February last year before the pandemic hit, GfK's overall confidence index stood at -7. (Reuters)
- **PMIs: Eurozone services hit in February but factories racing along –** Business activity across the euro zone contracted again in February as lockdown measures to contain the coronavirus hammered the bloc's dominant service industry, a survey showed, even as factories had their busiest month in three years. With daily reported infections still high governments have been encouraging citizens to stay home and closed much of the continent's hospitality industry while factories have largely remained open. IHS Markit's flash composite PMI, seen as a good guide to economic health, nudged closer to the 50 mark separating growth from contraction, registering 48.1 in February compared to January's 47.8. A Reuters poll had predicted 48.0. However, some of that activity was from completing old orders. The backlogs of work index fell to 47.9 from 49.0. "Ongoing COVID-19 lockdown measures dealt a further blow to the euro zone's service sector in February, adding to the likelihood of GDP falling again in the first quarter," said Chris Williamson, chief business economist at IHS Markit. The Eurozone economy is in a double-dip recession, according to last week's Reuters poll of economists, who said the risks to their already weak outlook was skewed more to the downside. A PMI covering the services industry fell to 44.7 from January's 45.4, well below the median expectation in a Reuters poll for 45.9. But with vaccination programs accelerating, driving hopes for a return to some form of normality, optimism about the year ahead improved sharply. The services business expectations index climbed to its highest since April 2018. Strong demand for manufactured goods helped the factory PMI soar to 57.7 from 54.8, the highest since February 2018 and well above all forecasts in a Reuters poll that predicted 54.3. An index measuring output, which feeds into the composite PMI, jumped to 57.5 from 54.6. The new orders index also soared and factories hired additional staff for the first time in nearly two years. The employment index rose to 50.9 from 49.4. (Reuters)
- **ECB faces tricky balancing act after pandemic debt surge –** As the Eurozone begins to emerge from the depths of a pandemic-induced recession, the European Central Bank is facing a difficult balancing act between supporting indebted governments and keeping creditors onside. Encouraged by the ECB's massive bond purchase program and ultra-low interest rates, national governments have taken on a mountain of new borrowing to cushion the coronavirus pandemic, pushing total public debt to 102% of the region's output. With a Eurozone recovery seen lagging that of the US or Asia, these countries will not grow their way out of debt or see it eroded away by rising prices any time soon. Yet Bundesbank President Jens Weidmann has made clear he expects monetary policy to return to normal once inflation returns. That means President Christine Lagarde and her colleagues must strike a difficult balance between the need to keep credit sufficiently easy for weaker borrowers like Italy while not losing the support of creditor countries. "I think the ECB is trapped," said Friedrich Heinemann, a professor at Germany's ZEW institute. "Certain heavily indebted countries can no longer cope on their own. The big issue here is the Italian debt," he said of Rome's 154% debt/GDP level. ECB chief economist Philip Lane has rejected the idea that the bank's policy is constrained, saying in a Reuters interview last year he was confident the bank could exit its bond-buying programs when inflation allowed it to do so. (Reuters)
- **PMI: Japan's Feb factory activity expands for first time in 22 months –** Japan's factory activity expanded for the first time in 22 months in February, a private-sector survey showed on Friday, as strong export demand helped manufacturers shake off the drag from the coronavirus pandemic. But the service sector was more pessimistic, with businesses struggling to overcome the blow from emergency measures taken to contain the COVID-19 crisis. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) improved to 50.6 from a final 49.8 in January. For the first time since April 2019, the headline index rose above the 50.0 threshold that separates from expansion, helped by stronger output and an increase in new orders at home and especially abroad. The

reading was also the highest since December 2018, though growth was modest. The survey showed manufacturers' new export orders grew at their fastest pace since early 2018, returning to expansion for the first time in four months. That supported gross domestic product and trade data released this week that showed Japan's economy has been reaping benefits from overseas demand, in part because of a huge global need for chip-making equipment. But the PMI survey also showed activity in the service sector, which includes the consumer sector, deteriorated at a faster pace, hurt by the anti-coronavirus emergency measures. Although daily coronavirus cases have been in decline in recent weeks after peaking in early January, Tokyo and nine other prefectures are still under a state of emergency to stop a resurgence. The au Jibun Bank Flash Services PMI index fell to a six-month low of 45.8 on a seasonally adjusted basis from January's final of 46.1. The au Jibun Bank Flash Japan Composite PMI remained in contraction despite the improvement in manufacturing activity. The index, which is calculated using both manufacturing and services, stood at 47.6 in February compared to the previous month's final of 47.1. (Reuters)

- **Japan cuts economic outlook in February for first time in 10 months –** Japan's government cut its view on the overall economy in February for the first time since April last year as an extended state of emergency to curb coronavirus infections battered consumer spending. Analysts expect the world's third-largest economy to shrink in the current quarter as renewed COVID-19 restrictions in Tokyo and some prefectures weigh on business activity and household spending. "The economy shows some weakness though it continued picking up amid severe conditions due to the coronavirus," the government said in its economic report for February. The government slashed its assessment on consumer spending for a third straight month, saying it has shown weakness recently, as people avoided eating out and travelling. But it raised its view on capital spending for a second consecutive month, saying it has been "recovering recently", reflecting an improvement in core machinery orders. The government also upgraded its assessment on corporate profits for the first time in two months as they were "picking up while weakness is seen in non-manufacturers" due to the impact from the pandemic. Manufacturers' profits improved helped by a recovery in auto production and 5G technology related demand, the report said. Thanks to brisk demand for communication devices, the government raised its outlook on imports for the first time in two months. Japanese stocks rose to a 30-year high this week as progress in the distribution of coronavirus vaccines boosted expectations for a global economic recovery. Japan's economy grew for a second straight quarter in October-December, extending a recovery from its worst postwar recession earlier last year. But new emergency measures cloud the outlook, underscoring the challenge policymakers face in preventing the spread of COVID-19 without choking off the fragile recovery. (Reuters)
- **Japan's consumer price decline slows, weak demand keeps outlook murky –** Japan's core consumer prices marked the sixth straight month of annual declines in January but the pace of falls slowed, offering some relief for policymakers worried about deflationary pressures the economy face from the coronavirus pandemic. Still, soft domestic demand means the Bank of Japan's priority will be to avert a return to deflation, unlike other countries such as the US where inflation has recently perked up. Core consumer prices, which includes oil products but excludes volatile fresh food costs, fell 0.6% in January from a year earlier, government data showed on Friday, compared with a median market forecast for a 0.7% drop. The decline was smaller than a 1.0% drop in December, partly due to the termination of the government's "Go To" discount campaign for domestic travel and a recent rebound in fuel costs. Durable goods prices rose on strong demand from stay-home policies to prevent the spread of the pandemic, with prices of air conditioners rising 7.2% and those for microwave ovens up 12.2%, the data showed. The so-called "core-core" CPI, which strips away the impact of both energy and fresh food costs, rose 0.1% from a year earlier after three straight months of declines. (Reuters)
- **China seen keeping lending benchmark LPR steady for 10th straight month –** China's benchmark lending rate is set to stay unchanged for the 10th straight month at its February fixing on Saturday, a Reuters survey showed. Thirty-one traders and analysts, or 88% of all 35 participants, in a snap Reuters poll conducted this week predicted no change in either the one-year Loan Prime Rate (LPR) or the five-year tenor. Another three respondents expected an increase of 5 basis point to both tenors this month, while the other one predicted a marginal rate cut to the one-year LPR. The one-year LPR was last at 3.85%, and the five-year rate stood at 4.65%. Strong expectations for a steady LPR this month came after the People's Bank of China (PBOC) rolled over the maturing medium-term lending facility (MLF) on Thursday, while keeping the interest rate unchanged for a 10th straight month. The MLF, one of the PBOC's main tools in managing longer-term liquidity in the banking system, serves as a guide for the LPR. Spikes in some short-term money market interest rates ahead of the week-long Lunar New Year holiday prompted some speculation that a shift to a tighter monetary policy stance may be underway. Economists at Morgan Stanley said they continued to expect a gradual and flexible pace of countercyclical tightening this year. (Reuters)

Regional

- **Tadawul approves government debt instruments listing –** Saudi Stock Exchange (Tadawul) has approved to list the debt instruments from a class already listed, issued by the Saudi government at a total value of SR3.16bn. The listing request was submitted by the Saudi Ministry of Finance, according to Tadawul's statement on Thursday. The increase in the issuance of January 12, 2021 by SR1.23bn will be listed to reach a total value of SR2.11bn. Meanwhile, the SR1.93bn rise in the issuance of January 7, 2021 will be listed to record SR4bn. Hence, the listing of government debt instruments reissue will start from February 21, 2021. (Bloomberg)
- **Saudi Arabia approves use, import of Oxford-AstraZeneca COVID-19 vaccine –** The Saudi Food and Drug Authority (SFDA) on Thursday approved the use and import of the Oxford-AstraZeneca COVID-19 vaccine, the Saudi Press Agency (SPA) reported. The approval of the vaccine came based on the data provided to the SFDA and which was thoroughly reviewed as per an accurate scientific method.

Hence, health authorities in the kingdom will begin procedures to use the Oxford-AstraZeneca COVID-19 vaccine as per relevant standards and requirements. The SFDA will analyze samples from every imported vaccine batch before use. Last month, CEO of the Serum Institute of India (SII), Adar Poonawalla, told Reuters that the world's biggest vaccine manufacturer will provide 3mn AstraZeneca COVID-19 vaccine doses to Saudi Arabia priced at $5.25 each on behalf of the British drug maker. (Bloomberg)

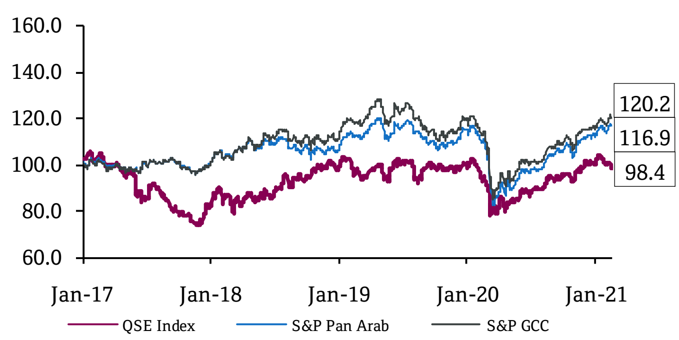
- **54% rise in companies setting up in Saudi Arabia in 2020, despite pandemic –** Scores of international companies were lining up to enter the Saudi market despite the ongoing global economic fallout from the coronavirus disease (COVID-19) pandemic, according to a government-accredited incubator. The desire by firms to work in the Kingdom had accelerated in line with the country's efforts to attract foreign investment as part of its Vision 2030 reform plan, said AstroLabs founder Muhammed Mekki. "The interesting thing to note is that despite the pandemic and the uncertain global economic conditions, there's been an accelerating interest in companies expanding into the Kingdom from around the world," he told Arab News. Last year, as many economies took a hit from the global health crisis, AstroLabs – the first international incubator accredited in the Kingdom – assisted 44 companies wishing to do business in Saudi Arabia, a 54% increase on 2019. (Zawya)
- **Limiting contracting with foreign firms inside Saudi Arabia supports local content –** The CEO of the Saudi Local Content and Government Procurement Authority, Abdulrahman Al Samari, said the decision to cease contracting of government entitles with foreign companies that do not have a regional headquarters in the kingdom after 2023 will provide valuable investment opportunities to global firms. Speaking to state-run Saudi Press Agency (SPA) on Thursday, Al Samari said the policy would develop local content components from the workforce, products, services, as well as assets and technology. The decision came after announcing the objectives of the Riyadh Strategy 2030 during the recently-held Future Investment Initiative Forum when the Royal Commission for Riyadh City (RCRC) announced agreeing with 24 international companies to move their regional headquarters to Riyadh. The decision will enable companies with headquarters in the kingdom to benefit from local content preference mechanisms through contracting with government bodies in the kingdom or those entities owned by it by 2024. (Bloomberg)
- **Jobs in restaurants, malls and education to be Saudized soon –** Minister of Human Resources and Social Development Ahmed Al-Rajhi announced the implementation of a decision to localize professions in restaurants, cafes, hypermarkets and malls soon. He also said that the number of young Saudi men and women who entered the labor market in January exceeded 28,000. "We are targeting all sectors, activities, and professions, and we will invest in all opportunities so as to enable the sons and daughters of the country to take up jobs. We will soon implement a decision to localize the legal and educational professions also," Al-Rajhi made the remarks during his meeting with members of the National Committee for Contractors and the National Committee for Consulting Professions. "A study has been completed to improve the status of occupational security and safety personnel working on company contracts in ministries and quasi-governmental entities, in addition to contractors with the private sector and set a minimum wage for them," he said. (Zawya)
- **Saudi food delivery market valued at $511.21mn –** Saudi Arabia's online food ordering and delivery market was valued at $511.21mn last year and is forecast to grow 10.05% per annum until 2026, according to a new report. "Even after the challenge of pandemic in the 2020, the market showed a consistent growth. Digitization, and emergence of advanced online services is expected to drive the Saudi Arabia online food ordering and delivery market in the next five years," according to a new study released by the Reportlinker global research company. The growth of the sector was emphasized this month with the announcement of the entry of two new operators into the increasingly competitive market. (Zawya)
- **UAE banks inject AED72.2bn in CBUAE's overnight deposits in 2020 –** The banks operating in the UAE have injected around AED72.2bn in the overnight deposit accounts at the Central Bank of the UAE (CBUAE) in 2020, according to the Emirates News Agency (WAM). The UAE banks' investments in overnight deposits in 2020 have raised their cumulative balance by 285% to AED97.5bn by the end of December 2020, when compared to the same month in 2019. It is noteworthy to mention that in July, the CBUAE launched an overnight deposit facility, enabling the conventional banks in the UAE to deposit their surplus liquidity at the central bank on an overnight basis. (Bloomberg)
- **UAE banks register $79bn investments in December 2020 –** The UAE banks' investments went up by 0.35% MoM to about AED455.8bn by the end of December 2020, compared to AED454.2bn in the year-ago period. The UAE banks have invested around AED290.5bn in debt securities by the end of December 2020, up from AED284.9bn in November 2020, according to the latest data by the Central Bank of the UAE (CBUAE). Meanwhile, the UAE banks have decreased their investments in stocks by AED100mn in December 2020, when compared to the earlier month. (Zawya)
- **SMEs fuel demand for Cloud-based and low-code ERP platforms in UAE –** With the pandemic situation today, businesses are fast-tracking their digital transformation efforts and switching to cloud services at a frantic pace to enable remote operations and communications. The situation has also led to more SMEs wanting to implement Enterprise Resource Planning (ERP) solutions. The ERP solutions help track and monitor a businesses' resources and processes, thus optimizing operations and maximizing profits. However, SMEs face many challenges while shopping for ERP solutions. (Zawya)
- **RAKBANK's net profit falls 54.0% YoY to AED503.8mn in FY2020 –** The National Bank of Ras Al-Khaimah (RAKBANK) recorded net profit of AED503.8mn in FY2020, registering decrease of 54.0% YoY. Net interest income fell 15.1% YoY to AED2,092.9mn in FY2020. Operating profit before provision for credit loss fell 10.0% YoY to AED2,168.7mn in FY2020. EPS came in at AED0.30 in FY2020 as compared to AED0.65 in FY2019. Total assets stood at AED52.8bn at the end of December 31, 2020 as compared to AED57.1bn at the end of

December 31, 2019. Net loans and advances stood at AED30.0bn (-13.1% YoY), while deposits from customers stood at AED36.9bn (+0.3% YoY) at the end of December 31, 2020. (ADX)

- **CEO: Dana Gas seeks $500mn to raise production capacity –** Dana Gas is considering financing methods, including green bonds, to collect about $500mn to achieve its objective of more than doubling its production capacity, the CEO of Dana Gas, Patrick Allman-Ward, told Reuters. The company seeks to increase its capacity in the Kurdistan Region of Iraq (KRI) to 900mn standard cubic feet per day (mmscfd) with two processing trains of 250 mmscfd each. The first train is forecast to be completed in the first half of 2023, while the second train would be finalized towards 2024. (Bloomberg)
- **Sharjah Islamic Bank proposes 8% cash dividends for shareholders –** Sharjah Islamic Bank agreed to distribute 8 percent in cash dividends to shareholders, after the bank achieved net profits of AED405.8mn for the year 2020. This came as the bank held its 45th General Assembly virtually, chaired by Abdul Rahman Al Owais, Chairman of the Board of Directors in the presence of the members of the Board and the executive management of the bank. (Zawya)
- **Abu Dhabi's real estate transactions hit AED 74bn in 2020 –** The total value of Abu Dhabi's real estate transactions reached AED74bn in 2020, up 28% compared to AED58bn in 2019, according to the Emirates News Agency (WAM). Last year, Abu Dhabi recorded 19,000 executed transactions, including sales and mortgages of land, buildings, and real estate units, as shown by a report by the Department of Municipalities and Transport on Abu Dhabi's annual real estate transactions. The total value of the Emirate's real estate sales amounted to AED30bn in 2020, with 8,000 transactions. Meanwhile, 11,000 transactions valued at AED44bn were executed for Abu Dhabi's real estate mortgages, with lands and buildings representing the majority of these transactions amounting to AED42.5bn. (Bloomberg)
- **Tabreed considers acquiring cooling assets at Dubai International Airport –**National Central Cooling Company (Tabreed) is considering a potential acquisition of district cooling assets at Dubai International Airport, which were up for sale. Tabreed confirmed that the study is preliminary in nature only and there is no acquisition agreement in place with any party. The company further remarked that it is continuously exploring potential acquisitions in respect of prime district cooling assets in the UAE, the wider region, and across the world, as part of its growth plan to generate value for its stakeholders. The company made on Thursday this announcement to the Dubai Financial Market (DFM) to clarify news articles on its interest to execute further acquisitions in the region. It is noteworthy to mention that in November 2020, Bloomberg reported that Dubai is seeking to sell the cooling system operations of its biggest airport, which were valued at around $750mn. (Bloomberg)
- **Agthia Group's board approves 80% acquisition of Jordan's Nabil Foods –** The board of Agthia Group has approved to acquire a majority stake in Nabil Foods, a producer of frozen and chilled processed protein products in Jordan, after obtaining some key regulatory approvals. Agthia Group would acquire an 80% stake in Nabil Foods, including a 60% stake acquired from ADQ in exchange for a convertible instrument, according to a press release on Thursday. The convertible instrument will convert into shares in Agthia at a fixed price of AED5.50 per share, implying an equity value of AED394mn. In addition, the company would hold a 20% stake from Ideal Holding Limited in exchange for cash. Agthia Group's board will call for the ordinary general meeting (OGM) for the shareholders to vote on the acquisition, which will enable the company to enter for the first time into the processed protein industry. (Bloomberg)
- **Kuwait plans to shorten oil supply deals for some Asian buyers –** According to sources, oil producer Kuwait Petroleum Corp (KPC) is in talks to shorten its annual supply deals with some customers in India and Japan to nine months this year to meet demand from its new refinery. At a meeting with Indian refiners this month, KPC officials said the state-run company's next oil supply contracts with Indian buyers would run from April to December, the sources said, rather than to March 2022. The fourth-biggest producer in the OPEC said it would assess the situation in over October and November before committing supplies for the first quarter of 2022. The proposed change follows a decision by Iraq, OPEC's second-biggest producer, to cut its oil exports to India this year to comply with OPEC quotas just as Indian refiners ramp up output to meet a demand uplift as the world's third-largest crude importer emerges from the COVID-19 pandemic. KPC's 615,000 barrel per day Al-Zour refinery, the country's fourth, is due to start operating towards the end of the year, turning the nation into one of the biggest fuel producers in the region, sources added. (Zawya)
- **National Bank of Kuwait sells $700mn AT1 bonds –** The National Bank of Kuwait launched $700mn Additional Tier 1 bonds on Thursday at 3.625%, a document showed. It had given initial price guidance of about 4% for the bonds, which are non-callable for six years. AT1 bonds, the riskiest debt instruments banks can issue, are designed to be perpetual in nature, but lenders can call them after a specified period. (Zawya)
- **Bahrain Kuwait Insurance Company recommends distribution of dividend for FY2020 –** The Board of Directors of Bahrain Kuwait Insurance Company resolved, at its meeting held on Wednesday, February 17, 2021, to recommend the distribution of dividend for the year ending December 31, 2020 to the shareholders whose names are registered on the company's register on the Record Date. This is subject to the approval of the company's shareholders on the upcoming Annual General Meeting. The proposed distribution is as follow: (a) Cash Dividend: 15% equivalent to 15 fils per share amounting to BHD2,136,140 (excluding the treasury shares), (b) Bonus Share: 4.8951% of paid-up capital equivalent to 4.8951 shares for every 100 shares amounting to BHD700,000. (Bahrain Bourse)
- **Seef Properties recommends distribution of dividend for FY2020 –** The Board of Directors of Seef Properties resolved at its meeting held on Wednesday February 17, 2021 to recommend the distribution of dividend for the year ended December 31, 2020 to the shareholders whose names are registered on the company's register on the Record Date. This is subject to the approval of the company's shareholders in the upcoming Annual General Meeting. The proposed distribution is as follows: – Cash Dividend: 5% of share nominal value,

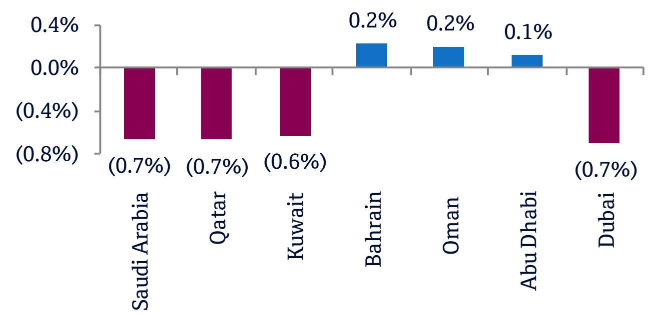
equivalent to 5 fils per share amounting to BHD2.3mn. (Bahrain Bourse)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,784.25	0.5	(2.2)	(6.0)
Silver/Ounce	27.29	0.9	(0.3)	3.4
Crude Oil (Brent)/Barrel (FM Future)	62.91	(1.6)	0.8	21.4
Crude Oil (WTI)/Barrel (FM Future)	59.24	(2.1)	(0.4)	22.1
Natural Gas (Henry Hub)/MMBtu	4.90	(25.8)	(18.5)	105.0
LPG Propane (Arab Gulf)/Ton	98.38	(4.9)	9.3	30.7
LPG Butane (Arab Gulf)/Ton	96.50	(1.5)	4.0	38.8
Euro	1.21	0.2	(0.0)	(0.8)
Yen	105.45	(0.2)	0.5	2.1
GBP	1.40	0.3	1.2	2.5
CHF	1.12	(0.1)	(0.5)	(1.3)
AUD	0.79	1.3	1.4	2.3
USD Index	90.36	(0.3)	(0.1)	0.5
RUB	74.12	0.3	0.6	(0.4)
BRL	0.19	0.8	(0.2)	(3.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,806.47	0.1	(0.4)	4.3
DJ Industrial	31,494.32	0.0	0.1	2.9
S&P 500	3,906.71	(0.2)	(0.7)	4.0
NASDAQ 100	13,874.46	0.1	(1.6)	7.7
STOXX 600	414.88	0.9	0.2	3.1
DAX	13,993.23	1.1	(0.4)	0.7
FTSE 100	6,624.02	0.5	1.7	5.3
CAC 40	5,773.55	1.2	1.3	3.2
Nikkei	30,017.92	(0.5)	1.2	7.1
MSCI EM	1,430.03	0.3	0.1	10.7
SHANGHAI SE Composite	3,696.17	1.0	1.1	7.6
HANG SENG	30,644.73	0.2	1.6	12.5
BSE SENSEX	50,889.76	(0.8)	(1.3)	7.2
Bovespa	118,430.50	0.2	(1.4)	(4.7)
RTS	1,472.33	1.8	0.7	6.1

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