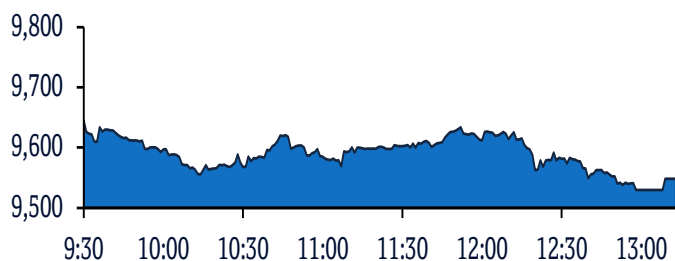


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 1.6% to close at 9,548.2. Losses were led by the Insurance and Banks & Financial Services indices, falling 1.9% each. Top losers were Qatar Insurance Company and Mazaya Qatar Real Estate Development, falling 7.9% and 3.8%, respectively. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 2.1%, while Qatari Investors Group was up 1.3%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.6% to close at 7,711.1. Losses were led by the Consumer Services and Retailing indices, falling 2.3% and 2.0%, respectively. Al Sorayai Trading and Industrial Group declined 9.9%, while MetLife AIG ANB Cooperative Insurance Co. was down 6.6%.

Dubai: The DFM Index fell 2.0% to close at 2,620.7. The Transportation index declined 2.7%, while the Investment & Financial Services index fell 2.4%. Ajman Bank declined 7.1%, while Islamic Arab Insurance Company was down 3.6%.

Abu Dhabi: The ADX General Index fell 0.9% to close at 4,890.7. The Real Estate index declined 2.6%, while the Energy index fell 1.2%. Methaq Takaful Insurance declined 8.6%, while Abu Dhabi National Takaful Company was down 7.5%.

Kuwait: Market was closed on February 25, 2020.

Oman: The MSM 30 Index gained 0.2% to close at 4,138.9. Gains were led by the Industrial and Financial indices, rising 0.5% and 0.1%, respectively. Oman Packaging rose 7.4%, while Oman United Insurance was up 4.1%.

Bahrain: The BHB Index gained 0.1% to close at 1,662.3. The Hotels & Tourism index rose 1.9%, while the Services index gained 0.4%. Gulf Hotel Group rose 2.4%, while Solidarity Bahrain was up 2.3%.

Market Indicators	26 Feb 20	25 Feb 20	%Chg.
Value Traded (QR mn)	231.9	317.3	(26.9)
Exch. Market Cap. (QR mn)	527,626.3	536,964.2	(1.7)
Volume (mn)	69.7	102.6	(32.1)
Number of Transactions	9,183	9,137	0.5
Companies Traded	45	46	(2.2)
Market Breadth	8:34	10:31	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	17,777.71	(1.4)	(3.2)	(7.3)	14.0
All Share Index	2,875.87	(1.6)	(3.3)	(7.2)	14.7
Banks	4,109.19	(1.9)	(2.9)	(2.6)	14.4
Industrials	2,452.44	(0.9)	(4.2)	(16.4)	17.9
Transportation	2,345.64	(1.3)	(3.6)	(8.2)	12.0
Real Estate	1,351.69	(0.4)	(4.6)	(13.6)	10.1
Insurance	2,549.26	(1.9)	(2.8)	(6.8)	15.5
Telecoms	823.65	(1.7)	(4.3)	(8.0)	14.2
Consumer	7,527.38	(1.7)	(3.8)	(12.9)	17.4
Al Rayan Islamic Index	3,530.97	(1.2)	(4.0)	(10.6)	15.2

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Jabal Omar Dev. Co.	Saudi Arabia	30.95	3.9	7,962.2	14.0
Saudi Electricity Co.	Saudi Arabia	17.06	2.6	1,990.2	(15.6)
Ooredoo Oman	Oman	0.52	2.0	45.5	(0.8)
BBK	Bahrain	0.64	1.1	27.8	11.3
Bank Muscat	Oman	0.45	0.9	453.7	4.6

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Qatar Insurance Co.	Qatar	2.80	(7.9)	1,644.5	(11.4)
Samba Financial Group	Saudi Arabia	26.95	(3.2)	3,215.0	(16.9)
Saudi Ind. Inv. Group	Saudi Arabia	21.60	(3.1)	778.0	(10.0)
QNB Group	Qatar	18.73	(3.0)	3,496.8	(9.0)
Abu Dhabi Comm. Bank	Abu Dhabi	7.36	(2.9)	4,176.8	(7.1)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	2.29	2.1	2.0	(7.0)
Qatari Investors Group	1.59	1.3	728.9	(11.2)
Qatar Islamic Insurance Company	6.38	1.3	26.8	(4.5)
Aamal Company	0.74	1.2	158.3	(9.5)
Dlala Brokerage & Inv. Holding Co.	0.54	1.1	131.0	(11.9)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.54	(1.3)	17,454.0	(11.7)
Qatar Aluminium Manufac. Co	0.61	(2.7)	6,592.0	(21.5)
Mesaieed Petrochemical Holding	1.79	(0.6)	3,600.9	(28.7)
United Development Company	1.22	(0.3)	3,586.6	(19.9)
Vodafone Qatar	1.06	(2.8)	3,570.1	(8.6)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Insurance Company	2.80	(7.9)	1,644.5	(11.4)
Mazaya Qatar Real Estate Dev.	0.64	(3.8)	1,198.2	(11.7)
Qatar National Cement Company	4.32	(3.4)	383.4	(23.5)
Qatar Navigation	5.71	(3.3)	303.2	(6.5)
QNB Group	18.73	(3.0)	3,496.8	(9.0)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.73	(3.0)	65,862.7	(9.0)
Qatar Islamic Bank	15.85	(1.5)	22,312.8	3.4
Ooredoo	6.44	(1.4)	21,356.9	(9.0)
Industries Qatar	8.75	(0.0)	16,903.0	(14.9)
The Commercial Bank	4.68	0.9	15,371.4	(0.4)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,548.22	(1.6)	(3.9)	(8.6)	(8.4)	63.25	143,936.5	14.0	1.4	4.5
Dubai	2,620.69	(2.0)	(4.3)	(6.1)	(5.2)	78.03	100,308.2	9.5	0.9	4.5
Abu Dhabi	4,890.68	(0.9)	(2.8)	(5.1)	(3.6)	60.94	139,928.0	14.4	1.3	5.1
Saudi Arabia	7,711.12	(0.6)	(3.7)	(6.5)	(8.1)	1,050.79	2,255,827.6	22.0	1.7	3.5
Kuwait#	6,072.05	(1.6)	(1.9)	(4.0)	(3.3)	148.96	112,984.7	15.3	1.4	3.5
Oman	4,138.92	0.2	(1.3)	1.5	4.0	6.40	17,590.5	8.3	0.8	7.2
Bahrain	1,662.30	0.1	(0.4)	0.3	3.2	3.93	26,053.8	11.7	1.0	4.3

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded (\$ mn) do not include special trades, if any, #Data as of February 24, 2020)

Qatar Market Commentary

- The QE Index declined 1.6% to close at 9,548.2. The Insurance and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Qatar Insurance Company and Mazaya Qatar Real Estate Development were the top losers, falling 7.9% and 3.8%, respectively. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 2.1%, while Qatari Investors Group was up 1.3%.
- Volume of shares traded on Wednesday fell by 32.1% to 69.7mn from 102.6mn on Tuesday. Further, as compared to the 30-day moving average of 83.1mn, volume for the day was 16.1% lower. Ezdan Holding Group and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 25.0% and 9.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	27.05%	16.53%	24,403,969.25
Qatari Institutions	28.16%	11.52%	38,590,991.61
Qatari	55.21%	28.05%	62,994,960.86
GCC Individuals	1.28%	0.82%	1,080,440.97
GCC Institutions	2.29%	6.24%	(9,146,800.62)
GCC	3.57%	7.06%	(8,066,359.65)
Non-Qatari Individuals	10.28%	8.90%	3,202,391.70
Non-Qatari Institutions	30.93%	56.00%	(58,130,992.91)
Non-Qatari	41.21%	64.90%	(54,928,601.21)

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2019	% Change YoY	Operating Profit (mn) 4Q2019	% Change YoY	Net Profit (mn) 4Q2019	% Change YoY
Umm Al-Qura Cement Co.*	Saudi Arabia	SR	255.9	55.6%	106.8	202.1%	79.8	688.1%
Dubai Refreshments Company*	Dubai	AED	635.9	6.7%	68.9	79.9%	67.4	59.3%
Emirates Insurance Co.*	Abu Dhabi	AED	1,136.5	8.9%	-	-	140.1	22.8%
Arkan Building Materials Co*	Abu Dhabi	AED	902.4	-6.7%	74.5	-10.9%	46.0	-13.9%
Solidarity Bahrain*	Bahrain	BHD	-	-	-	-	2.6	13.4%
APM Terminals Bahrain*	Bahrain	BHD	38.2	-0.1%	11.4	5.2%	10.2	-2.6%
United Gulf Investment Corp.*	Bahrain	BHD	31.0	-24.4%	-	-	(4.3)	N/A
Bahrain National Holding Co.*	Bahrain	BHD	33.8	0.7%	-	-	4.8	46.1%
Bahrain Car Parks Company*	Bahrain	BHD	1.7	36.3%	0.9	22.8%	0.9	23.0%
Nass Corporation.*	Bahrain	BHD	153.5	-16.0%	-	-	(3.3)	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2019)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
02/26	US	Mortgage Bankers Association	MBA Mortgage Applications	21-Feb	1.5%	-	-6.4%
02/26	France	INSEE National Statistics Office	Consumer Confidence	Feb	104	103	104

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 4Q2019 results	No. of days remaining	Status
MCCS	Mannai Corporation	27-Feb-20	0	Due
WDAM	Widam Food Company	1-Mar-20	3	Due
DBIS	Dlala Brokerage & Investment Holding Company	3-Mar-20	5	Due
AKHI	Al Khaleej Takaful Insurance Company	3-Mar-20	5	Due
QGRI	Qatar General Insurance & Reinsurance Company	4-Mar-20	6	Due
QFBQ	Qatar First Bank	4-Mar-20	6	Due
QOIS	Qatar Oman Investment Company	8-Mar-20	10	Due
ZHCD	Zad Holding Company	11-Mar-20	13	Due
BRES	Barwa Real Estate Company	11-Mar-20	13	Due
QGMD	Qatari German Company for Medical Devices	11-Mar-20	13	Due

Source: QSE

Qatar

- **QISI's bottom line rises 132.9% YoY and 12.3% QoQ in 4Q2019** – Qatar Islamic Insurance Group's (QISI) net profit rose 132.9% YoY (+12.3% QoQ) to QR12.9mn in 4Q2019. The company's total revenues came in at QR35.9mn in 4Q2019, which represents an increase of 48.4% YoY (+53.6% QoQ). In FY2019, QISI posted net profit of QR72.67mn in comparison to net profit to QR63.02mn for the same period of the previous year. EPS amounted to QR0.48 in FY2019 as compared to QR0.42 in FY2018. The board recommended distribution of cash dividends of 37.5 % from the share par value i.e. QR 0.375 for each share for the year 2018. Initially, it is scheduled to hold the Ordinary General Assembly meeting on April 12, 2020, and the second reserve meeting on April 15, 2020. (QSE)
- **QETF discloses its financial statements for the year 2019** – Qatar Exchange Traded Fund (QETF) disclosed its financial statements for the period from January 01, 2019 to December 31, 2019. The statements showed that the net asset value as of December 31, 2019 amounted to QR366,895,205 representing QR10.266 per unit. (QSE)
- **ZHCD board to meet on March 11 to discuss the financial statements** – Zad Holding Company (ZHCD) announced that the board has scheduled their meeting to be held on March 11, 2020 to discuss the financials of the year ended December 31, 2019 and the recommendation for the dividends. (QSE)
- **QGRI postpones its board meeting to March 4** – Qatar General Insurance & Reinsurance Company's (QGRI) board of directors has postponed its meeting to March 4, 2020 instead of February 26, 2020, to discuss the financial statements for the period ending December 31, 2019. (QSE)
- **DBIS opens the door for candidacy to the board of directors** – Dlala Brokerage and Investment Holding Company's (DBIS) board of directors announced the opening of the candidacy for the membership of the board of directors for the period 2020-2022 from March 1, 2020 to March 12, 2020. (QSE)
- **Ahli Bank's AGM and EGM endorses items on its agenda; approves the distribution of 15% cash dividend and 5% bonus shares** – Ahli Bank announced the results of the Ordinary General Assembly meeting (AGM) and Extraordinary General Assembly meeting (EGM) were held on February 26, 2020 and its entire agenda has been discussed and approved. Wherein the General assembly heard the board of directors report regarding the bank's activities and its financial position for the year ended December 31, 2019, and discussed bank's future plans. It also approved the budget and profit and loss statement for the financial year ended on December 31, 2019, and approved the board of directors recommendation to distribute 15% as cash dividends to the shareholder, in addition to 5% as bonus shares. Accordingly, the Assembly agreed that the bank's capital shall be increased with the amount of such bonus shares amounting to 115,698,239 shares, such that the bank's capital becomes 2,429,663,019 shares. The General Assembly discussed and approved the governance report of the bank for the year 2019 and approved to discharge the board of directors of any liability and approved their remunerations. The General Assembly also approved the appointment of Ernst & Young as the bank's Auditors for the year 2020 and approved their fees. Further, the EGM approved the increase of the bank's capital by the number of free shares approved by the AGM's resolution equal to 5% amounting to 115,698,239 shares, such that the bank's capital becomes 2,429,663,019 shares, and to amend article (6) of the bank's Articles of Association to reflect the capital increase. To approve authorizing the board of directors to arrange the issuance of Tier 1 capital notes in the amount of \$300mn to reinforce the bank's capital based on the following: (1) Structure of the instrument will be in line with market and regulatory requirements for Tier 1 issuance, (2) May be listed on London Stock Exchange or the Irish Stock Exchange or may be unlisted, (3) Callable after five years at the bank's sole discretion, (4) It will be junior to the bank's existing unsubordinated obligations including existing subordinated debt and depositors, and senior to the ordinary shares issued by the bank, (5) It will be issued directly through the Bank or through wholly owned Special Purpose Vehicle, (6) Authorizing the board of directors to take all the necessary and required actions for the offering and in determining the appropriate time for offering and in determining the appropriate time for offering through private deposits, local or foreign, agreeing to the details and conditions related to the issuance and obtaining the necessary approvals for that from the central bank and any other governmental or non-governmental bodies, with the right to authorize the executive management to take appropriate measures to implement this Tier 1 Capital resolution. To approve the establishment of a stock option program and to delegate the board of directors to establish the program in accordance with the provisions of the applicable laws and to obtain the necessary approvals. The EGM approved the authorization of the Chairman of board of directors or the Vice Chairman to complete all the necessary procedures to amend the Articles of Association to reflect the foregoing, including the right to attend and sign all the needed documents before the Authentication Department at the Ministry of justice and Ministry of Commerce and trade and any other official governmental entities. (QSE, Gulf-Times.com)
- **DHBK seeks approval for issuing up to \$1bn in debt** – Doha Bank (DHBK) is seeking shareholders approval to issue Additional Tier 1 or Tier II capital instruments, according to the agenda of the meeting scheduled for March 16. Issuance can be through public offering and/or private placement in local and/or international markets. The bank seeks approval to set up new EMTN program capped at \$1bn. The Tier II issuance will not exceed \$500mn or equivalent. Maturity of Additional Tier1 shall be perpetual, Tier II to be limited to 10 years. (Bloomberg)
- **QIGD's AGM endorses items on its agenda; approves the distribution of 5.5% cash dividend** – Qatari Investors Group (QIGD) held its AGM on February 26, 2020 and approved the items of the agenda: (1) Approved the Board of Directors' report on the company's activities and its financial position during the year ended on December 31, 2019 and the company's business

plan for 2020, (2) Approved the report of the external auditor on the company's budget, financial position and final accounts submitted by the board of directors, (3) Approved the company's budget and statement of profits and losses for the year ended on December 31, 2019, (4) Approved the board of directors' recommendation to distribute a cash dividend of 5.5% of the share nominal value i.e. QR0.055 per share, (5) Approved the Corporate Governance Report of 2019, (6) Approved the basis and method of granting remuneration for the board members, in addition to incentives and rewards of Senior Executive Management and the company's employees in accordance with the principles of the Governance Code, (7) Absolved the members of the board of directors from any liability for the financial year ended on December 31, 2019 and determine their remuneration, (8) Appointed Rodl & Partner as the external auditor for the financial year 2020 and determine their fees, (9) Elected the board of directors for the coming three years 2020-2022 as follows: HE Sheikh Hamad bin Faisal Al Thani, HE Abdulla Nasser Al-Misnad, Rashid Fahad Al-Naimi, Abdulrahman Arafa, Omar Saeed Al-Hassan. Moreover, QIGD has entered into an agreement with Mediterranean Shipping Company (MSC) relating to cruises and logistical services, which are expected to further strengthen its earnings in the future. QIGD's Chairman, Abdulla Nasser Al-Misnad said, "The group seeks to achieve a balance to be able to finance its growth and strategy while maintaining prudent liquidity levels." Although the Gulf market has not recovered yet from the difficulties resulting from the international economic turmoil, he said this has affected profits and performance in various sectors, but, in order to be prudent with our resources, the group and its subsidiaries have focused on investments and projects that guarantee balanced cash flows. (QSE, Gulf-Times.com)

- **Kahramaa: Water, electricity fees for farms to be reduced to support livestock** – In a move to support animal production, Qatar General Electricity and Water Corporation (Kahramaa) has decided to reduce electricity and water consumption fees for farms starting from February. "Farms will see a reduction in electricity and water consumption fees starting with the February 2020 bill in order to support animal production," Kahramaa stated. The percentage of reduction in the new consumption fees for farms will reach 70% for electricity and 40% for water, given that these farms will no longer be classified in the commercial category. The statement stated this step comes within the framework of the national responsibility of Kahramaa as one of the leading institutions in the state to support animal production and encourage farm owners to invest in the field of livestock to enhance self-sufficiency and food security of Qatar in cooperation with the Ministry of Municipality and Environment. (Qatar Tribune)
- **Blockading countries restore postal services to Qatar** – The Communications Regulatory Authority (CRA) announced that the blockading countries (Saudi Arabia, the UAE, Egypt and Bahrain) have restored the provision of postal services to Qatar. This resumption is the outcome of the meeting that was especially organized and attended by all the countries concerned on January 29, 2020 at the Universal Postal Union (UPU) headquarters in Berne, Switzerland, the CRA stated. This means that the blockading countries will resume postal services to Qatar this month through a specified third country (Oman),

hence, ending the suspension of postal traffic which they put in place since the beginning of the blockade in June 2017, where postal services companies in Qatar were not able to receive or send postal items to the blockading countries or even to receive and send postal items to other countries through the blockading countries. (Gulf-Times.com)

- **Doha Islamic Finance Conference calls for developing dedicated 'Islamic capital market'** – The sixth Doha Islamic Finance Conference concluded with a call for a strong coordination between various Islamic finance entities, universities and scientific research centers for establishing a dedicated professional centre to foresee the future of Islamic finance sector and its potential risks. The conference called up on the Islamic countries to establish Islamic capital markets, common for metals, commodities and financial papers, in compliance with Shari'ah maxims and objectives as they are encouraged to formulate a global index for profit rate as well as to benefit from Shari'ah-compliant contracts and all the permissible forms of sales of debts and arbitration vis-a-vis Fiqhi options. They should also undertake the study to formulate new contracts, and to transform from the alternatives to Islamic products in line with Islamic economics its objectives. They shall also benefit from electronic and digital technologies for the establishment of well developed Islamic market. The trading platforms should abide by the Shari'ah rulings and its principles across all its functionalities and they shall be limited to Shari'ah compliant tools. While being independent from the establishing platform entities, they should also abide by the Shari'ah rulings related to the process of organizing the ability, patronage, custodianship and inheritance. (Peninsula Qatar)
- **Ezdan: West Bay, Al Sadd outperform in open plan office market by controlling 40% of demand; real estate deal cross QR255mn in week of February 16-20** – A growing demand have been monitored for open plan offices and units, and the most-sought after regions are West Bay and Al Sadd, controlling 40% of total demand on administrative properties, according to a Ezdan Real Estate (Ezdan) report. This remarkable rise in demand in Al Sadd and West Bay area came on the back of improved services for open plan office and administrative areas offered for tenancies, premium location near Doha Center, which make them as a haven for many companies looking for an imposing locations viable for flourishing business, the report noted and highlighted the engaging nature of Lusail City, especially after the completion of 95% of its infrastructure. The City extends over an area of 38 square kilometers, which can accommodate nearly 200,000 residents and 170,000 of manpower. Commenting on the real estate market activity, the report indicated that 82 property sale deals were registered during the period from 16-20 February 2020, according to the statistics disclosed by Real Estate Registration Department with a total value exceeding QR255.2mn, and the deals cover 7 municipalities, namely Umm Salal, Al Khor, Al Thakhira, Doha, Al Rayyan, Al Shamal, Al Daayen and Al Wakra, and entailed vacant land plots, housing, multi-use buildings, and residential buildings. (Peninsula Qatar)
- **Qatar bolsters maritime infrastructure to support economic expansion** – The 1,000-day air and sea blockade has rather fastened Doha's efforts to gear up its maritime infrastructure and allied sectors in order to provide extra cushioning for its

economy, where import substitution is catching up, indicator of growing self-sufficiency in some underlying sectors. QNB Group recently stated Qatar's plans to raise the liquefied natural gas production to 126mn tons per annum by 2027 will lead to a major boom in the maritime transport and logistics services industry in the country. Apart from inviting mega cruise and freight liners as well as opening floating hotels, Qatar also launched vessel monitoring project to enhance maritime security and preserve marine environment. Also it forayed into the Black Sea region to manage and operate a Ukrainian port, indicating Doha's long-term vision in the global maritime sector. Qetaifan Projects, a company owned by Katara Hospitality, is set to construct and operate 16 floating hotels on the shores of Qetaifan Island North to provide accommodation within the fan villages during the FIFA World Cup 2022. Hamad Port, which has in a short period occupied a distinguished position among the ports of the region in the volume of container and cargo handling, entered into a pact with a global giant MSC or Mediterranean Shipping Company. Through this tie up, MSC will use Hamad Port as its regional hub to manage transshipments for up to 150,000 containers per year, growing to 1mn by 2023. (Gulf-Times.com)

International

- **Lower mortgage rates, mild weather lift US new home sales to twelve and a half year high** – Sales of new US single-family homes raced to a twelve-and-a-half year high in January, pointing to housing market strength that could help to blunt any hit on the economy from the corona-virus and keep the longest economic expansion in history on track. The report from the Commerce Department on Wednesday added to a raft of other upbeat data on the housing market, which is emerging as one of the few bright spots on the economy as business investment continues to slump and consumer spending slows. Unseasonably mild weather and the lower mortgage rates that followed the Federal Reserve's three interest rate cuts last year are boosting housing market activity. Economists polled by Reuters had forecasted new home sales, which account for about 12.3% of housing market sales, would advance 3.5% to a pace of 710,000 units in January. New home sales are drawn from permits and tend to be volatile on a MoM basis. Sales surged 18.6% from a year ago. New home sales jumped 30.3% in the Midwest to their highest level since October 2007. They soared 23.5% in the West to levels last seen in July 2006 and rose 4.8% in the Northeast to more than one-and-a-half year high. Activity was likely exaggerated by warmer temperatures. Sales fell 4.4% in the South, which accounts for the bulk of transactions. A separate report from the Mortgage Bankers Association on Wednesday showed applications for loans to purchase a home jumped last week from the prior week. Though housing accounts for about 3.1% of GDP, it has a giant footprint on the economy, positioning it to help keep the economic expansion, now in its 11th year, on course. Reports this month showed permits for the future construction of single-family homes jumped in January to the highest since June 2007. The stock of homes under construction in January was the highest since February 2007. There were 324,000 new homes on the market in January, up 0.3% from December. At January's sales pace it would take 5.1 months to clear the supply of houses on the market, down from 5.5 months in December. Almost two-thirds of the houses sold last month were either under construction or yet to be built. (Reuters)
- **NRF: US retail sales expected to top \$3.9tn in 2020 despite wild cards** – The US retail sales are expected to rise between 3.5% and 4.1% to more than \$3.9tn in 2020 despite fears surrounding the corona-virus outbreak and an ongoing trade war, the National Retail Federation (NRF) stated on Wednesday. The retail industry group cited steady wage growth, lower interest rates and strong consumer confidence to support its forecast. It also assumes that the corona-virus outbreak will not become a global pandemic. However, the NRF stated it expects sales to take a hit if China factory shutdowns continue. The projections include both online and physical-store sales. Preliminary results show retail sales for 2019 grew 3.7% over 2018 to \$3.79tn, falling short of the trade body's forecast for growth of at least 3.8%, the NRF stated. The retail body also stated it expects the overall economy to gain between 150,000 and 170,000 jobs per month in 2020, down from 175,000 in 2019, and unemployment, which is currently at 3.6%, to drop to 3.5% by the end of the year. The trade body also said online and other non-store sales, which are included in the overall number for 2020, were expected to increase between 12% and 15%. (Reuters)
- **Commission: EU faces productivity, debt reduction, investment challenges** – Productivity is not growing fast enough in the European Union (EU), investment is still too low and public debt remains high in countries most in need of reducing it, the European Commission stated on Wednesday as it outlined a growth strategy for the bloc. In annual recommendations to all EU countries, the executive Commission stated the 27-nation bloc would only be successful if all its members focused on making growth sustainable. "Public debt ratios remain on a declining path in many member states, but not in those where debt reduction is most needed," the Commission stated, referring to Italy, Greece, Portugal and Cyprus, which have debt to GDP ratios above 100%. "Member states are still struggling to get back to their pre-crisis public investment levels. In particular, public investment spending remains at historically low levels and the ratio of public investment to GDP is projected to increase only marginally, especially in the euro area," it stated. The Commission stated that countries with sound public finances, like Germany and the Netherlands which have had budget surpluses for years, should boost investment to raise growth and support the transition towards a greener and digital economy. (Reuters)
- **EU opens to more spending in countries hit by corona-virus outbreak** – Italy and other Eurozone countries hit by the corona-virus outbreak are expected to benefit from waivers under EU fiscal rules that will allow them to spend more to tackle the emergency, the bloc's economics commissioner stated on Wednesday. The outbreak, which first emerged in China, flared in northern Italy last week, increasing fears of a larger-than-expected fall-out on the European and global economy. Under EU rules, high-debt member states like Italy are required to keep a lid on their spending and to lower debt. While most economists still forecast a quick economic rebound before the summer when the corona-virus is expected to lose steam, more spending in the most affected countries is seen as crucial to address the worst phase of the crisis. (Reuters)

- **France's Le Maire sticks to forecast of 0.1 point economic hit from corona-virus** – French Finance Minister, Bruno Le Maire said on Wednesday he was sticking with his forecast that the corona-virus would shave 0.1 points off economic growth this year. Le Maire also told French TV Public Senat that the number of Chinese tourists in France was likely to fall by 30% to 40% this year. (Reuters)
- **Reuters Poll: Economic contagion spreads beyond China to other Asian economies** – The effects of the corona-virus outbreak are likely to reverberate beyond China as most major economies in the region are expected to slow down significantly, halt or shrink outright in the current quarter, Reuters polls found. Many Asian economies, which were just limping back to growth from the spillover effects of the 18-month long US-China trade dispute, were again dealt a blow by the outbreak, which has shut down businesses and cities. With the contagion interrupting global supply chains that most countries depend on for trade and commerce, economic activity is likely to slow, but at varying degrees. Forecasts from economists collected February 19-25 showed that Australia, South Korea, Taiwan, Singapore and Thailand are all expected to put in their worst performance in years in the first quarter. Only Indonesia was expected to remain relatively unscathed. That comes on the heels of a similar Reuters poll published a little over a week ago, which found the Chinese economy will grow at its slowest pace in the current quarter since the financial crisis, with a worst-case scenario showing it at 3.5%, nearly half of the 6.0% reported in the fourth quarter of 2019. (Reuters)

Regional

- **Moody's: GCC insurers to face moderate-to-high credit risk** – Geopolitical tensions and intense competition are the biggest challenges insurers in the GCC region will face in the next 12 to 18 months, Moody's Investors Service (Moody's) stated. Weakened regional growth may result from tensions between the US and Iran that could dampen investors' confidence and delay major infrastructure projects. Meanwhile, the low rate of insurance penetration in the GCC region remains supportive of long-term future growth, according to Assistant Vice President Analyst at Moody's, Mohammed Ali Londe. "Slowing growth would weigh on insurance demand, with property and casualty lines such as construction, marine & energy being particularly affected," he said. The sector's profitability and capitalization remain under pressure from the intense competition resulting from the market fragmentation. "Moody's expects competition to drive consolidation in the long run, especially as smaller insurers are under pressure from more onerous regulatory requirements," he said. Many GCC insurers also face credit risk stemming from volatile investment performance. However, according to Moody's, there is lower effect for insurers in countries such as the UAE and Saudi Arabia, whose regulatory regimes depend on risk-based capital models and investment guidelines. (Zawya)
- **ARNB's net profit falls 23.8% YoY to SR3,023mn in FY2019** – Arab National Bank (ARNB) recorded net profit of SR3,023mn in FY2019, registering decrease of 23.8% YoY. Total operating profit rose 3.0% YoY to SR6,733mn in FY2019. Total revenue for special commissions/investments rose 11.7% YoY to SR7,633mn in FY2019. Total assets stood at SR183.4bn at the end of

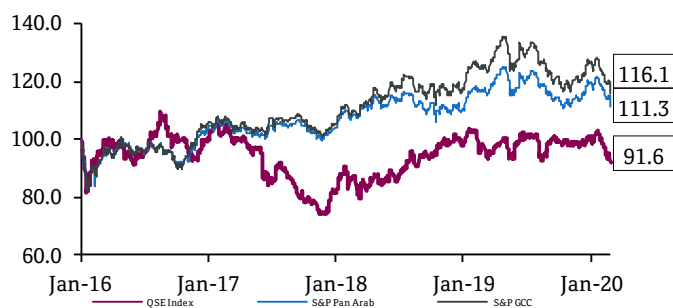
December 31, 2019 as compared to SR178.4bn at the end of December 31, 2018. Loans and advances stood at SR118.8bn (-1.8% YoY), while customer deposits stood at SR142.1bn (+0.1% YoY) at the end of December 31, 2019. EPS came in at SR2.02 in FY2019 as compared to SR2.65 in FY2018. The decline in profits is attributed to restating the net profit for 2018, by adding SR1.11bn representing a settlement agreement between the bank and the General Authority for Zakat and Income Tax (GAZT), whereby all Zakat claims were settled for the years before 2017. (Tadawul)

- **SABB posts 4.2% YoY rise in net profit to SR2,812mn in FY2019** – The Saudi British Bank (SABB) recorded net profit of SR2,812mn in FY2019, an increase of 4.2% YoY. Total operating profit rose 28.3% YoY to SR9,398mn in FY2019. Total revenue for special commissions/investments rose 34.4% YoY to SR8,928mn in FY2019. Total assets stood at SR265.5bn at the end of December 31, 2019 as compared to SR174.7bn at the end of December 31, 2018. Loans and advances stood at SR154.7bn (+40.2% YoY), while customer deposits stood at SR192.2bn (+47.2% YoY) at the end of December 31, 2019. EPS came in at SR1.57 in FY2019 as compared to SR1.81 in FY2018. (Tadawul)
- **Saudi Aramco to start early preparations for overseas listing** – Saudi Aramco is starting early preparations for an international listing just months after the oil giant turned its record initial public offering (IPO) into a domestic affair and sidelined global banks, according to sources. The world's largest publicly traded company is in discussions with Wall Street banks to draw up scenarios for a second listing overseas. Saudi Aramco wants to be ready to move ahead if Saudi Arabia's de-facto ruler, Crown Prince Mohammed bin Salman, gives the go-ahead to proceed with the plans, sources added. Saudi Aramco has not set a timetable for the potential deal. An overseas listing is currently seen as unlikely to take place this year given market conditions and a weak outlook for commodity prices. (Bloomberg)
- **Dar Al Arkan lists \$400mn Sukuk on Nasdaq Dubai** – Saudi Arabia based Dar Al Arkan has listed \$400mn Sukuk on Nasdaq Dubai. According to a Nasdaq's press statement, the listing brings Dar Al Arkan's total Sukuk value listed on Nasdaq Dubai to \$2bn, following the listing of a \$600mn Sukuk in October 2019 and listings of two Sukuk of \$500mn each in 2017 and 2018. Dar Al Arkan's activities include residential, mixed use and commercial developments in Riyadh, Jeddah, Mecca and Medina and other cities across in Saudi Arabia, as well as the 'I Love Florence Tower' in Downtown Dubai. The company's latest Sukuk underlines Dubai's expanding role as one of the largest global center for Sukuk listings by value with a current total of \$66.355bn. (Zawya)
- **Al Salam Bank buys 310,000 new treasury shares on Dubai, Bahrain stock markets** – Bahrain's Al Salam Bank has just purchased 310,000 new treasury shares on the Dubai Financial Market (DFM) and Bahrain Bourse (BHB). The additional shares, acquired on February 25, bring the bank's total holding of treasury shares to 77.3mn from 76.98mn, and represent 3.488% of issued share capital. The bank had earlier purchased a little over 400,000 treasury shares on both bourses on October 10, 2019. Back in November 2019, the bank tied up with China's MSA Capital to launch \$50mn venture capital fund which will bring new Chinese technologies and business models to the

region. The Islamic lender has assets worth approximately BHD1.9bn as of September 20. Its portfolio includes retail, corporate and private banking. (Zawya)

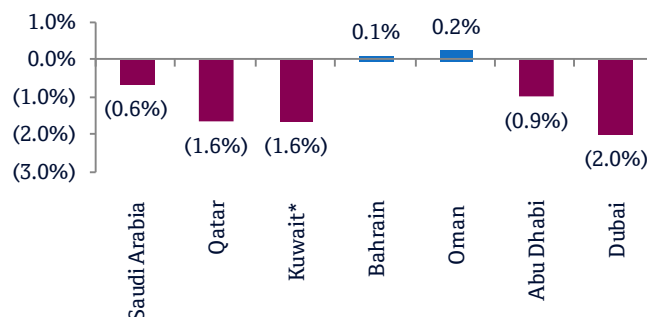
- **Bahrain sells BHD35mn 182-day bills; bid-cover 2.37x** – Bahrain sold BHD35mn of 182 day bills due on August 30, 2020. Investors offered to buy 2.37 times the amount of securities sold. The bills were sold at a price of 98.766, having a yield of 2.47% and will settle on March 1, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg (*Data as of February 24, 2020)

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,640.96	0.4	(0.1)	8.2
Silver/Ounce	17.92	(0.4)	(3.1)	0.4
Crude Oil (Brent)/Barrel (FM Future)	53.43	(2.8)	(8.7)	(19.0)
Crude Oil (WTI)/Barrel (FM Future)	48.73	(2.3)	(8.7)	(20.2)
Natural Gas (Henry Hub)/MMBtu	1.96	1.6	0.0	(6.2)
LPG Propane (Arab Gulf)/Ton	39.25	(3.7)	(9.2)	(4.8)
LPG Butane (Arab Gulf)/Ton	55.00	2.3	(13.0)	(16.0)
Euro	1.09	(0.0)	0.3	(3.0)
Yen	110.43	0.2	(1.1)	1.7
GBP	1.29	(0.8)	(0.5)	(2.7)
CHF	1.02	(0.1)	0.1	(0.9)
AUD	0.65	(0.9)	(1.3)	(6.8)
USD Index	99.00	0.0	(0.3)	2.7
RUB	65.47	0.1	2.2	5.6
BRL	0.22	(1.4)	(1.4)	(9.7)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,258.62	(0.5)	(6.0)	(4.2)
DJ Industrial	26,957.59	(0.5)	(7.0)	(5.5)
S&P 500	3,116.39	(0.4)	(6.6)	(3.5)
NASDAQ 100	8,980.77	0.2	(6.2)	0.1
STOXX 600	404.62	(0.0)	(5.3)	(5.7)
DAX	12,774.88	(0.2)	(5.7)	(6.4)
FTSE 100	7,042.47	(0.5)	(5.4)	(9.1)
CAC 40	5,684.55	0.0	(5.5)	(7.9)
Nikkei	22,426.19	(1.2)	(3.1)	(6.5)
MSCI EM	1,043.31	(1.3)	(3.8)	(6.4)
SHANGHAI SE Composite	2,987.93	(1.0)	(1.6)	(2.9)
HANG SENG	26,696.49	(0.8)	(2.3)	(5.4)
BSE SENSEX	39,888.96	(0.7)	(2.7)	(3.9)
Bovespa	105,718.30	(8.1)	(8.1)	(17.2)
RTS	1,461.22	1.0	(4.2)	(5.7)

Source: Bloomberg (*\$ adjusted returns)

Contacts

Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

saugata.sarkar@qnbfs.com.qa

Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

mehmet.aksoy@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

shahan.keushgerian@qnbfs.com.qa

QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

PO Box 24025

Doha, Qatar

Zaid al-Nafoosi, CMT, CFTe

Senior Research Analyst

Tel: (+974) 4476 6535

zaid.alnafoosi@qnbfs.com.qa

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