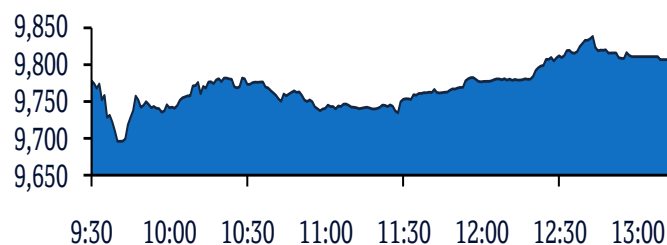


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined marginally to close at 9,807.5. Losses were led by the Industrials and Banks & Financial Services indices, falling 0.2% and 0.1%, respectively. Top losers were The Commercial Bank and Industries Qatar, falling 2.7% and 1.3%, respectively. Among the top gainers, Mazaya Real Estate Development gained 5.0%, while Qatar Oman Investment Company was up 4.9%.

GCC Commentary

Saudi Arabia: The TASI Index gained marginally to close at 8,155.3. Gains were led by the Software & Serv. and Transportation indices, rising 2.6% and 2.2%, respectively. Bawan Co. rose 10.0%, while Gulf General Coop. Ins. was up 9.9%.

Dubai: The DFM Index fell 0.5% to close at 2,166.5. The Consumer Staples and Discretionary index declined 4.0%, while the Insurance index fell 1.8%. Dubai Islamic Insurance declined 4.9%, while Ithmaar Holding was down 4.9%.

Abu Dhabi: The ADX General Index gained 1.2% to close at 4,624.9. The Real Estate index rose 14.1%, while the Telecommunication index gained 0.7%. Reem Investments rose 15.0%, while Aldar Properties was up 14.9%.

Kuwait: The Kuwait All Share Index fell 1.7% to close at 5,468.9. The Banks index declined 2.1%, while the Basic Materials index fell 1.7%. Al Mal Investment Company declined 8.1%, while Alrai Media Group Co. was down 5.5%.

Oman: The MSM 30 Index fell marginally to close at 3,563.9. The Industrial index declined 0.1%, while the other indices ended in green. Al Hassan Engineering Company declined 30.0%, while Bank Dhofar was down 3.7%.

Bahrain: The BHB Index fell marginally to close at 1,435.0. The Industrial index declined 0.5%, while the Investment index fell 0.2%. Zain Bahrain declined 2.8%, while GFH Financial Group was down 1.3%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Mazaya Real Estate Development	1.10	5.0	30,268.7	52.4
Qatar Oman Investment Company	0.78	4.9	3,132.6	15.8
Alijarah Holding	1.21	4.7	18,690.7	71.6
Investment Holding Group	0.56	3.7	97,849.1	(1.2)
Baladna	1.98	3.7	9,874.3	98.0

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.56	3.7	97,849.1	(1.2)
Qatar Aluminium Manufacturing	0.94	0.2	53,913.7	20.4
Salam International Inv. Ltd.	0.61	1.8	47,877.0	18.8
Mazaya Real Estate Development	1.10	5.0	30,268.7	52.4
Ezdan Holding Group	1.90	2.0	29,977.9	209.1

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,807.53	(0.0)	(1.5)	(1.8)	(5.9)	135.83	156,400.4	16.4	1.4	4.0
Dubai	2,166.51	(0.5)	(0.9)	(4.7)	(21.6)	36.10	83,606.1	8.9	0.8	4.5
Abu Dhabi	4,624.85	1.2	1.5	2.4	(8.9)	225.90	185,801.0	16.9	1.3	5.3
Saudi Arabia	8,155.31	0.0	(4.1)	(1.7)	(2.8)	3,034.89	2,342,272.1	29.2	2.0	2.4
Kuwait	5,468.88	(1.7)	(2.7)	0.4	(13.0)	222.63	101,441.3	31.4	1.3	3.6
Oman	3,563.92	(0.0)	0.2	(1.4)	(10.5)	2.48	16,187.5	10.5	0.7	6.9
Bahrain	1,434.95	(0.0)	(0.9)	0.0	(10.9)	2.93	21,877.8	13.4	0.9	4.7

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

Market Indicators	26 Oct 20	25 Oct 20	%Chg.
Value Traded (QR mn)	500.6	444.6	12.6
Exch. Market Cap. (QR mn)	576,697.6	574,712.2	0.3
Volume (mn)	390.7	299.1	30.6
Number of Transactions	11,479	9,440	21.6
Companies Traded	46	46	0.0
Market Breadth	29:15	4:38	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,854.65	(0.0)	(1.5)	(1.7)	16.4
All Share Index	3,034.18	0.2	(1.3)	(2.1)	17.3
Banks	4,118.15	(0.1)	(0.5)	(2.4)	14.5
Industrials	2,825.88	(0.2)	(3.2)	(3.6)	24.5
Transportation	2,836.84	1.8	(0.3)	11.0	13.0
Real Estate	1,918.16	1.0	(5.1)	22.6	15.2
Insurance	2,207.74	1.7	(0.8)	(19.3)	32.9
Telecoms	909.69	0.5	(0.3)	1.6	15.3
Consumer	7,820.65	0.4	(0.9)	(9.6)	27.3
Al Rayan Islamic Index	4,054.93	0.2	(2.1)	2.6	18.2

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Aldar Properties	Abu Dhabi	2.54	14.9	160,150.2	17.6
Arabian Centres Co Ltd	Saudi Arabia	25.50	8.0	2,181.0	(12.5)
Saudi Kayan Petrochem.	Saudi Arabia	10.28	3.8	15,064.3	(7.4)
Sohar International Bank	Oman	0.09	3.3	144.5	(12.9)
Qatar Gas Transport Co.	Qatar	2.72	2.6	6,832.2	13.8

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Bank Dhofar	Oman	0.10	(3.7)	20.0	(16.3)
Gulf Bank	Kuwait	0.23	(3.4)	15,098.9	(25.4)
Mouwasat Medical Serv.	Saudi Arabia	132.20	(2.9)	145.4	50.2
Mabanee Co.	Kuwait	0.66	(2.7)	1,735.0	(23.0)
The Commercial Bank	Qatar	4.13	(2.7)	1,103.6	(12.1)

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
The Commercial Bank	4.13	(2.7)	1,103.6	(12.1)
Industries Qatar	9.45	(1.3)	1,182.4	(8.1)
Widam Food Company	6.82	(1.3)	458.3	0.9
Doha Bank	2.42	(1.2)	187.3	(4.3)
Masraf Al Rayan	4.24	(1.0)	2,193.7	7.0

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Ezdan Holding Group	1.90	2.0	52,907.0	209.1
Investment Holding Group	0.56	3.7	51,773.0	(1.2)
Qatar Aluminium Manufacturing	0.94	0.2	48,442.0	20.4
United Development Company	1.61	1.1	31,273.7	5.9
Mazaya Real Estate Development	1.10	5.0	31,045.5	52.4

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index declined marginally to close at 9,807.5. The Industrials and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from GCC and Arab shareholders despite buying support from Qatari and Foreign shareholders.
- The Commercial Bank and Industries Qatar were the top losers, falling 2.7% and 1.3%, respectively. Among the top gainers, Mazaya Real Estate Development gained 5.0%, while Qatar Oman Investment Company was up 4.9%.
- Volume of shares traded on Monday rose by 30.6% to 390.7mn from 299.1mn on Sunday. Further, as compared to the 30-day moving average of 319.1mn, volume for the day was 22.4% higher. Investment Holding Group and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 25.0% and 13.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	54.47%	53.58%	4,452,825.2
Qatari Institutions	11.55%	10.57%	4,904,326.8
Qatari	66.02%	64.15%	9,357,152.0
GCC Individuals	2.36%	2.15%	1,089,681.0
GCC Institutions	0.89%	2.08%	(5,965,787.9)
GCC	3.25%	4.23%	(4,876,106.9)
Arab Individuals	19.58%	20.74%	(5,805,431.7)
Arab Institutions	0.00%	-	678.6
Arab	19.58%	20.74%	(5,804,753.1)
Foreigners Individuals	4.93%	5.00%	(361,368.2)
Foreigners Institutions	6.22%	5.88%	1,685,076.1
Foreigners	11.15%	10.88%	1,323,708.0

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2020	% Change YoY	Operating Profit (mn) 3Q2020	% Change YoY	Net Profit (mn) 3Q2020	% Change YoY
Herfy Food Services Co.	Saudi Arabia	SR	311.1	-8.2%	50.5	-27.3%	41.4	-28.1%
Ataa Educational Co.**	Saudi Arabia	SR	336.4	4.9%	101.3	6.1%	75.8	-8.4%
National Shipping Company of Saudi Arabia	Saudi Arabia	SR	1,510.3	1.9%	303.2	17.1%	313.7	113.8%
Sahara International Petrochem. Co.	Saudi Arabia	SR	1,361.9	-2.9%	17.7	-90.0%	10.0	-91.0%
Najran Cement Co.	Saudi Arabia	SR	159.0	63.5%	51.6	134.8%	47.4	235.4%
United Electronics Co.	Saudi Arabia	SR	1,224.5	18.4%	65.0	69.2%	53.4	96.3%
Zain Bahrain	Bahrain	BHD	14.8	-2.7%	1.7	13.4%	1.5	20.7%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (** Financial for Year ended July 31, 2020)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
10/26	Japan	Bank of Japan	PPI Services YoY	Sep	1.3%	1.0%	1.1%

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 3Q2020 results	No. of days remaining	Status
QATI	Qatar Insurance Company	27-Oct-20	0	Due
BRES	Barwa Real Estate Company	27-Oct-20	0	Due
QGRI	Qatar General Insurance & Reinsurance Company	27-Oct-20	0	Due
IGRD	Investment Holding Group	27-Oct-20	0	Due
QIMD	Qatar Industrial Manufacturing Company	27-Oct-20	0	Due
IQCD	Industries Qatar	27-Oct-20	0	Due
QISI	Qatar Islamic Insurance Group	27-Oct-20	0	Due
DHBK	Doha Bank	27-Oct-20	0	Due
MRDS	Mazaya Qatar Real Estate Development	28-Oct-20	1	Due
QOIS	Qatar Oman Investment Company	28-Oct-20	1	Due
MPHC	Mesaieed Petrochemical Holding Company	28-Oct-20	1	Due
SIIS	Salam International Investment Limited	28-Oct-20	1	Due
DOHI	Doha Insurance Group	28-Oct-20	1	Due
QFBQ	Qatar First Bank	28-Oct-20	1	Due
MERS	Al Meera Consumer Goods Company	28-Oct-20	1	Due
ORDS	Ooredoo	28-Oct-20	1	Due

Earnings Calendar

Tickers	Company Name	Date of reporting 3Q2020 results	No. of days remaining	Status
UDCD	United Development Company	28-Oct-20	1	Due
AHCS	Aamal Company	28-Oct-20	1	Due
GISS	Gulf International Services	29-Oct-20	2	Due
NLCS	Alijarah Holding	29-Oct-20	2	Due
ZHCD	Zad Holding Company	29-Oct-20	2	Due
AKHI	Al Khaleej Takaful Insurance Company	29-Oct-20	2	Due

Source: QSE

News

Qatar

- QIIK's bottom line rises 2.1% YoY and 7.0% QoQ in 3Q2020, in-line with our estimate** – Qatar International Islamic Bank's (QIIK) net profit rose 2.1% YoY (+7.0% QoQ) to QR272.0mn in 3Q2020, in line with our estimate of QR264.7mn (variation of +2.7%). 'Total income from financing & investing activities' decreased 3.0% YoY in 3Q2020 to QR553.5mn. However, on QoQ basis 'Total income from financing & investing activities' gained 7.9%. The company's Total Income came in at QR624.9mn in 3Q2020, which represents an increase of 2.1% YoY (+12.5% QoQ). EPS remained flat YoY at QR0.18 in 3Q2020 (2Q2020: QR0.16). The bank's total assets stood at QR59.3bn at the end of September 30, 2020, up 12.0% YoY (+0.1% QoQ). Financing Assets were QR39.1bn, registering a rise of 22.6% YoY (+11.7% QoQ) at the end of September 30, 2020. Customers' current accounts rose 17.1% YoY and 2.3% QoQ to reach QR7.6bn at the end of September 30, 2020. In 9M2020, QIIK recorded net profit of QR784.6mn as compared to QR777.0mn in 9M2019. EPS amounted to QR0.52 in 9M2020 as compared to QR0.51 for the same period in 2019. QIIK's CEO, Abdulbasit Ahmad Al Shaibei said, "The total revenues at the end of the third quarter amounted to QR1.84bn compared to QR1.76bn at the end of the corresponding period last year, a growth of 4.5%. During the third quarter, the bank continued to achieve success in improving operational efficiency as the cost-to-income ratio was 20%. The capital adequacy ratio reached 17.2%, underscoring once again the distinguished financial position of QIIK." About the bank's plans, he said, "The focus lately has been on enhancing operational performance, and through the results achieved, we can confirm that we are making tangible progress and aspire for more. The most important response achieved by the bank in facing the market factors was the qualitative evolution in the field of digital transformation. In this area, the bank developed various alternative channels and most services became available through electronic platforms such as mobile banking, internet banking for individuals and companies, ATMs and the call center," he said. QIIK will continue to focus on the opportunities available in the local market and in various sectors, he said. (QNB FS Research, QSE, Qatar Tribune)
- VFQS' bottom line rises 50.3% YoY and 37.5% QoQ in 3Q2020, above our estimate** – Vodafone Qatar's (VFQS) net profit rose 50.3% YoY (+37.5% QoQ) to QR45.6mn in 3Q2020, above our estimate of QR33.5mn (variation of +36.3%). The company's Revenue came in at QR539.4mn in 3Q2020, which represents an increase of 9.9% YoY (+1.5% QoQ). In 9M2020, VFQS posted net

profit of QR126.7mn as compared to QR108.4mn in 9M2019, mainly driven by higher EBITDA. EPS amounted to QR0.030 in 9M2020 as compared to QR0.026 in 9M2019. Total revenue for the period improved by 4% YoY to QR1.6bn following service revenue growth of 4% driven by higher demand for the company's fixed broadband solutions (GigaHome) and continued growth in its Postpaid subscriber base. EBITDA YoY increased by 12% to reach QR591mn, supported by the higher service revenue and continued cost optimization initiatives. Consequently, EBITDA margin improved by 2.7 percentage points YoY to reach 36.7%, the highest ever in the company's history. Total mobile customers of the company stood at 1.7mn. (QNB FS Research, QSE, Peninsula Qatar)

- BLDN's bottom line declines 34.5% QoQ in 3Q2020, below our estimate** – Baladna (BLDN) reported net profit of QR29.0mn in 3Q2020 as compared to QR44.2mn in 2Q2020 (-34.5% QoQ), below our estimate of QR47.6mn. The company's Revenue stood at QR182.3mn, which represents QoQ decrease of 11.1%. EPS amounted to QR0.015 in 3Q2020 as compared to QR0.023 in 2Q2020. BLDN reported net profit of QR112.86mn for the period from December 2, 2019, establishment date, to September 30, 2020 (approximately 10 months) and EPS amounted to QR0.061 per share. Correspondingly, the company achieved a strong net profile margin for the ten-month period of approximately 18.1%. Operational improvements continue across the supply chain. In particular, the farming division continues delivering significant productivity gains achieving an average daily milk yield of 36.8 liters per cow for the period compared to 31.2 liters per cow for the same period last year. Retained earnings balance on September 30, 2020 is QR103.2mn after distributing the first interim dividend of QR40.0mn in April 2020. (QNB FS Research, QSE, Peninsula Qatar)
- MCCS reports net profit of QR3.4mn in 3Q2020** – Mannai Corporation (MCCS) reported net profit of QR3.4mn in 3Q2020 as compared to net loss of QR6.5mn in 3Q2019 and net loss of QR181.7mn in 2Q2020. The company's Revenue came in at QR3,188.8mn in 3Q2020, which represents an increase of 12.9% YoY (+19.1% QoQ). In 9M2020, MCCS recorded net loss of QR199.4mn as compared to net profit of QR80.9mn in 9M2019. Loss per share amounted to QR0.44 in 9M2020 as compared to earnings per share of QR0.18 in 9M2019. MCCS' gross profit for the nine month period ended September 30, 2020 stood at QR1.7bn. EBITDA for the quarter grew to QR255mn, an increase of 14% compared to the third quarter of 2019, bringing year to date EBITDA to QR512mn. Net Profit for the third quarter was QR3.4mn reflecting a turnaround following the first half trading

results which were impacted by COVID-19 - related measures that closed the majority of its trading and retail businesses. MCCS' Director, Keith Higley said, "We are pleased to report a significantly improved third quarter result compared to last year and the first half of 2020. This demonstrates that our businesses are recovering from the effects of lockdown measures imposed during the first half year. Accordingly, as a result of the impact of COVID-19 on trading in the first half year, the Group has reported a net loss of QR199mn in the nine month period ended in September, compared to a net profit of QR81mn in the same period last year." (QSE, Peninsula Qatar)

- **DBIS reports net profit of QR1.3mn in 3Q2020** – Dlala Brokerage and Investments Holding Co. (DBIS) reported net profit of QR1.3mn in 3Q2020 as compared to net loss of QR1.7mn in 3Q2019 and net loss of QR0.2mn in 2Q2020. The company's 'Net brokerage commission income' came in at QR8.3mn in 3Q2020, which represents an increase of 260.6% YoY (+122.8% QoQ). In 9M2020, DBIS posted net profit of QR3.6mn as compared to net loss of QR5.4mn in 9M2019. The earnings per share amounted to QR0.013 in 9M2020 as compared to loss per share of QR0.019 in 9M2019. (Company Press Release, QSE)
- **QDB's direct lending to SMEs reaches QR9bn** – The direct lending portfolio of Qatar Development Bank (QDB) has reached QR9bn, said the CEO of the state-owned Bank, Abdulaziz bin Nasser Al Khalifa, at an international event, yesterday. Al Khalifa also said that QDB is committed to providing all the needful support to SMEs and startups with innovative business ideas, and Qatar is the ideal destination to expand their operations given its geographical location, world-class infrastructure like airports, seaports, high-speed internet, and easy access to capital, business-friendly environment and the right ecosystem for growth. Al Khalifa said, "The accessibility to finance is one of the biggest challenges SMEs face. And we have solved this problem by providing direct lending to such business ideas and startups. Our debt portfolio currently is around QR9bn, which is growing steadily." Al Khalifa added, "We have several debt instruments and partial loan guarantee programs. We also provide subsidized lending to important sectors such as agriculture, fisheries and livestock. These sectors played a big role in enabling Qatar to be resilient during the post-blockade era by boosting their output/production locally by utilizing technology." (Peninsula Qatar)

International

- **US new home sales drop; record low mortgage rates underpinning demand** – Sales of new US single-family homes unexpectedly fell in September after four straight monthly increases, but the housing market remains supported by record low mortgage rates and demand for more space as the COVID-19 pandemic drags on. The decrease in sales reported by the Commerce Department on Monday followed data last week showing single-family homebuilding and permits racing to levels last seen in 2007 in September. Confidence among homebuilders hit a record high in October, while sales of previously owned homes jumped to their highest level in more than 14 years in September. New home sales fell 3.5% to a seasonally adjusted annual rate of 959,000 units last month. August's sales pace was revised down to 994,000 units from the previously reported 1.011mn units. Economists polled by

Reuters had forecast new home sales, which account for about 12.8% of housing market sales, rising 2.8% to a rate of 1.025mn units. New home sales surged 32.1% YoY. New home sales are counted at the signing of a contract, making them a leading housing market indicator. September's monthly decline could, however, be flagging a slowdown in housing market momentum heading into the fourth quarter. (Reuters)

- **US regrets EU move on tariffs, seeks deal on Boeing-Airbus row** – The US on Monday told the WTO that it regretted the European Union's decision to pursue retaliatory tariffs for Boeing subsidies, adding it favored a "negotiated resolution" with the bloc over its subsidies to rival plane-maker Airbus. The US speech, seen by Reuters, came at a meeting of the World Trade Organization's Dispute Settlement Body (DSB) which gave its formal clearance on Monday for the EU to impose tariffs on \$4bn of US goods. "The US strongly favors a negotiated resolution of its dispute with the EU over the massive launch aid subsidies it provided to Airbus. The US has recently provided proposals for a reasonable settlement that would provide a level playing field," the US delegation said. The original WTO ruling on October 13 had deepened a record trade dispute that has already prompted Washington to impose duties on EU imports over state aid for Airbus. Few analysts expect the EU to act before US presidential elections next week. (Reuters)
- **PM Johnson: Brexit decision entirely separate from US election outcome** – Britain's decision on whether to agree a Brexit deal with the European Union is entirely separate to the outcome of the US election next month, Prime Minister Boris Johnson said on Monday. "The two things are entirely separate," Johnson said, when asked about an Observer newspaper report that he was waiting to see the US result before making a Brexit decision, and whether he was concerned about the prospect of a Joe Biden presidency. (Reuters)
- **'Time is very short' Britain says as EU's Barnier heads to London** – Britain said on Monday that time was very short to bridge the significant remaining gaps on key issues in talks with the European Union, as EU chief negotiator Michel Barnier heads to London to continue negotiations. The UK left the European Union in January but the two sides are trying to clinch a deal that would govern nearly a trillion dollars in annual trade before a transition period of informal membership ends on December 31. After a brief hiatus when London walked away from the negotiating table, both sides are now meeting daily to try to find common ground. At stake is the smooth flow of cross-border trade as well as the harder-to-quantify damage that a chaotic exit would do to areas such as security information sharing and research and development cooperation. Barnier and his EU team will be in London until Wednesday, after which talks will switch to Brussels and continue through the weekend, an EU spokesperson said. EU diplomats were not expected to be briefed on progress in the latest batch of talks until later in the week. Johnson told reporters he was very glad to be talking with the EU again, but offered no new clues on the likelihood of a deal: "We'll see where we go." (Reuters)
- **YouGov/Cebr: UK consumer confidence falls after five months of gains** – A measure of consumer confidence among people in

Britain fell for the first time in six months in October as worries mounted about new COVID-19 restrictions, polling firm YouGov and the Centre for Economics and Business Research (Cebr) said. Concerns about household finances and property values pushed down the index to 101.3, down 1.1 points from September. "The first fall in the Consumer Confidence Index in six months may prove to be a turning point in consumer sentiment as the reality of a second wave sets in," Kay Neufeld, head of macroeconomics at Cebr said. The separate GfK Consumer Confidence Index published on Friday showed sentiment fell this month by the most since a slump at the start of the coronavirus pandemic. (Reuters)

- **German government raises 2020 GDP forecast to -5.5%** – The German government will revise upwards its forecast for growth domestic product (GDP) for 2020 when it presents an update to its estimates this week, a source familiar with the government's forecast told Reuters on Monday. The government now expects GDP to shrink 5.5% in 2020 compared to a previous estimate for a 5.8% decline, the source said. This means the recession triggered by the coronavirus pandemic will be slightly milder than the loss of output caused by the global financial crisis in 2009 when GDP fell by a record 5.7%. The economy ministry declined to comment and said Economy Minister Peter Altmaier would present the updated forecast on Wednesday. The German economy contracted by 9.7% in the second quarter as household spending, company investments and trade collapsed at the height of the pandemic. An easing of lockdown measures, coupled with an unprecedented array of rescue and stimulus packages, led to a robust recovery in the third quarter. However, a spike in new coronavirus cases has caused concern activity could slow again, and German business morale fell for the first time in six months in October. For 2021, the government is still sticking by its previous forecast for GDP growth of 4.4%, the source said. (Reuters)
- **German business morale falls on virus angst as rebound fades** – German business morale fell for the first time in six months in October, weighed down by companies' concerns about rising coronavirus infection rates that are making them more cautious about the coming months, a survey showed on Monday. The Ifo institute said its business climate index fell to 92.7 from a downwardly revised 93.2 in September. A Reuters poll had foreseen a decline to 93.0. "Companies are considerably more sceptical regarding developments over the coming months," Ifo President Clemens Fuest said in a statement. "In view of rising infection numbers, German business is becoming increasingly worried." The cooling of the sentiment in Europe's largest economy coincides with a survey showing British consumer confidence also falling for the first time in six months. An easing of lockdown measures, coupled with an unprecedented array of rescue and stimulus packages, led to a robust recovery in the third quarter from a 9.7% second-quarter slump, but a spike in new coronavirus cases has caused concern activity could slow again. The number of confirmed cases in Germany rose by 8,685 to 437,866, data from the Robert Koch Institute (RKI) for infectious diseases showed on Monday. (Reuters)
- **BOJ to hold fire, signal readiness to extend COVID-response package** – The Bank of Japan is set to keep monetary policy steady on Thursday and signal its readiness to extend the

duration of a crisis-response package that has become a primary tool to deal with the deepening economic impact of the coronavirus crisis. While the BOJ is seen slightly cutting its growth and price forecasts, many board members see no immediate need to expand stimulus on the view the world's third-largest economy is headed for a modest recovery, sources have told Reuters. The central bank is expected to maintain its yield curve control (YCC) targets at -0.1% for short-term interest rates and 0% for long-term yields at a two-day rate review ending on Thursday. Much as YCC remains the BOJ's key policy framework, cutting the yield targets has become a less likely option due to the intense strain on bank margins from years of ultra-low rates. That has increased the importance of a package of steps the central bank introduced from March through May, which includes aggressive purchases of corporate debt and a new lending facility to funnel money to smaller firms via financial institutions. BOJ officials have said the package will serve as the first line of defense to counter the persistent pressure from COVID-19, suggesting that other tools such as rate cuts will be saved for more extreme shocks such as an unwelcome yen spike. (Reuters)

- **From climate change to equality, Lagarde turns ECB more political** – Since taking the helm a year ago, Christine Lagarde has turned the European Central Bank's attention to social issues like climate change and inequality, broadening its horizons but also opening it to attacks that could test its independence. Lagarde's efforts to use the bank's leverage to fight global warming, gender imbalance or income inequality may have been overshadowed by the coronavirus pandemic and the ensuing, deep recession. However, they could yet reshape the currency union's most powerful institution and help redefine the role of central banking in an era where the threat of runaway inflation has faded into obscurity. The ECB as an institution is one of a kind. Its president is uniquely powerful in swaying policy and the broader economic debate, as Lagarde's predecessor Mario Draghi demonstrated in 2012 when he said the bank would do "whatever it takes" to save the euro here, catching markets and some colleagues unaware. The bank's role is also open to interpretation because of a vaguely worded Treaty. (Reuters)
- **China to impose sanctions on US firms over Taiwan arms sales** – China will impose sanctions on Lockheed Martin, Boeing Defense, Raytheon and other US companies it says are involved in Washington's arms sales to Taiwan, a foreign ministry spokesman said on Monday. Zhao Lijian told journalists that China was acting to protect its national interest, but did not spell out what form the sanctions would take. The US State Department has approved the potential sale of three weapons systems to Taiwan, including sensors, missiles and artillery that could have a total value of \$1.8bn, the Pentagon said last week. Beijing considers Taiwan a wayward province it has vowed to bring under control, by force if necessary. China has imposed sanctions on Lockheed Martin and other US companies in the past for selling weapons to Taiwan, though it is unclear what form the penalties have taken. The US, like most countries, has no official diplomatic ties with Taiwan, but Washington is bound by law to provide the island with the means to defend itself. The Trump administration has ramped up support for Taiwan through arms sales and visits by senior

US officials, adding to tensions in relations between Beijing and Washington, already strained by disagreements over the South China Sea, Hong Kong, human rights and trade. (Reuters)

Regional

- **Chevron bets on Middle East gas riches and reconciliation** – After years of focusing on US shale, Chevron Corp is staking its natural gas future on the Middle East, a volatile and divided region where energy majors have long tread warily. CEO, Michael Wirth's pivot away from home is underpinned by a bet that the Middle East is entering an era of reconciliation that will make it ideal for tapping natural gas, as demand for the cheaper and cleaner fuel is forecast to outstrip oil. The new strategy is seeing the company pitch new gas deals in Egypt, Israel, Qatar, while cutting spending on American shale exploration. The plan is anchored by Wirth's \$11.8bn purchase this month of US-based Noble Energy, which holds a stake of about 40% in the aptly named Leviathan gas field in the Mediterranean Sea, off the coast of Israel. "Five years ago the Eastern Med was not viewed as endowed from a resource standpoint as I think most people would say today. That is a fundamental shift," Wirth told Reuters in an interview. "There's not a lot of capital investment required in the near term," he said. "At a time when cash flow matters, that's a very appealing attribute." The deal brings an alliance with Israel that has been smoothed by the narrowing of some historical rifts in the region, such as the establishment of formal ties between Israel and the United Arab Emirates in an agreement signed last month. (Reuters)
- **Saudi ministry closes October 2020 domestic Sukuk issuance** – The Ministry of Finance's National Debt Management Center closed the October 2020 issuance under the Saudi Arabian government SR-denominated Sukuk program. The issuance size was set at SR270mn. The Sukuk issuances were divided into two tranches as follows: The first tranche has a size of SR235mn and a total tranche size of SR782.8mn, maturing in 2027. The second tranche has a size of SR35mn, and a total tranche size of SR7,650bn, maturing in 2032. (Zawya)
- **World should look at all options to reduce emissions, Saudi energy minister says** – Saudi Arabia's Energy Minister said on Monday the world should be looking at all options to mitigate emissions of greenhouse gases in its fight against climate change, but that getting rid of oil and gas would be "far-fetched and unrealistic". "Let's not focus on the fuel of choice but rather how we can mitigate and adapt to these realities without showing any preferences," Prince, Abdulaziz bin Salman told the Singapore Energy Summit. Prince Abdulaziz said he embraces technologies that would allow the country which sits on the biggest hydrocarbon reserves in the world to make full use of its resources. For example, Saudi Arabia is building solar power plants to free up oil and gas for exports. In response to a question about how OPEC+ has ensured high compliance with production quotas, Prince Abdulaziz said: "Engaging people as equal, ensuring that people do understand that the lack of conformity and lack of commitment would undermine the credibility of this agreement to the market." "The worst part is over" for the oil market but OPEC+ must stay vigilant and stick to agreed production curbs, Saudi Energy Minister, Prince Abdulaziz bin Salman said Monday at the CERAWEEK India Energy Forum. The oil market "is recovering" but there is a

demand deficit of between 8mn-9mn bpd. OPEC+ production compensation program to ensure output curbs agreement is enforceable. It supports others within OPEC+ to continue with their output-restricting obligations. OPEC+ needs to be disciplined or it "will leave a lot of money on the table." (Reuters, Bloomberg)

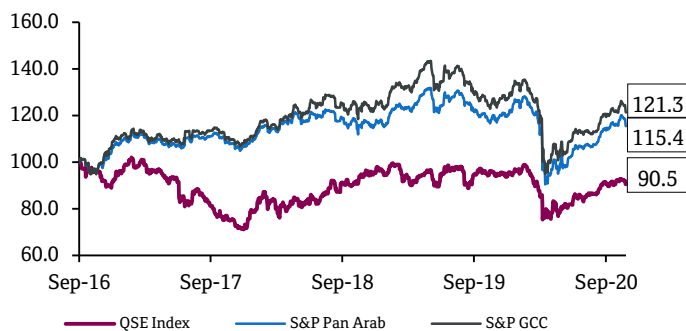
- **Israel venture capital firm JVP in talks for potential UAE innovation center** – Israeli venture capital firm Jerusalem Venture Partners (JVP) is in talks with potential partners in the UAE to set up an innovation hub there, its chairman said on Monday. JVP Chairman, Erel Margalit has met with potential partners and looked at least one possible site for a hub during a visit to the UAE this week. "We can do it soon but we need to see that the interest is real and that we are embarking on something big together," he told Reuters at a Dubai hotel. "It needs to be something big because, as an investor, you always want to be in a place where the most innovative things in the world are being done," he said, suggesting a public-private partnership could benefit such a center. The Gulf Arab state has a nascent tech start-up scene largely driven by the government, while Israel, known as the 'startup nation', has a thriving private sector. (Reuters)
- **DP World set for 'relatively stable financial performance' this year, Chairman says** – International port operator DP World is on track to report a "relatively stable financial performance" this year after the recording a 3.1% increase in third-quarter shipping container volumes, its chairman said on Monday. The Dubai state-owned company, which reported contractions in container volumes in the first two quarters, handled 18.3mn containers in the July - September period, it said. The 52.2mn containers handled in the first nine months of the year were down 2.5% compared with the same 2019 period. Chairman, Sultan Ahmed bin Sulayem said recent volume trends have been encouraging but warned the outlook remained uncertain due to the coronavirus crisis, uncertainty over the US elections and on-going trade wars. "We remain focused on containing costs to protect profitability and managing growth capex to preserve cashflow," he said in a statement. "We remain confident of meeting our 2022 targets." Flagship Jebel Ali port, located in Dubai, handled 3.4mn containers in the third quarter, down 4.2% YoY. (Reuters)
- **Union Properties pays \$19.06mn towards debt restructuring** – Dubai real estate developer Union Properties has completed a payment of \$19.06mn towards its largest lender as part of a debt restructuring plan, it said on Monday. The restructuring plan, reached in August with its main lender Emirates NBD to restructure its outstanding debt of AED946mn, aims to "improve the Group's cash-flow and restore its standing with the banking sector," the company said. Dubai's real estate market, which has been slowing for most of the past decade, was further hurt by the coronavirus crisis. "Despite challenging market conditions, we are honoring our financial commitments and guaranteeing our ability and willingness to pay the company's debt on time and without any delay," Union's Chairman, Khalifa Hassan Al Hammadi said. He said the restructuring plan resulted in a 35% cut in financing costs year-on-year in the three-month period ending in September. (Reuters)

- **Dubai's Al Mal Capital secures approval for REIT IPO** – The UAE Securities and Commodities Authority (SCA) has approved the initial public offering (IPO) of Al Mal Capital REIT, with a subscription period to run from November 8-19. With a target offer of AED500mn the proceeds of the offering will be utilized to invest in a diversified portfolio of income generating real estate assets, backed by secure long-term lease agreements, Dubai Investments (DIC) said. “The REIT will provide UAE and GCC investors access to an asset class with strong fundamentals, through a strategy focused on investing in high-performing UAE sectors, including healthcare, education and industrial assets, with a target annual return of 7%,” the statement said. (Zawya)
- **Commercial Bank of Dubai issues inaugural \$600mn Tier 1 six-year bond** – Commercial Bank of Dubai (CBD), has announced the issuance of a \$600mn Additional Tier 1 (AT1) perpetual non-call 6-year bond, at a coupon of 6%, the lowest coupon from a Dubai bank issuer to date on a Basel III compliant AT1 bond. The transaction is the bank’s inaugural AT1 issuance, returning the bank to the capital markets for the first time since 2015. The issuance is the second AT1 transaction from the GCC to include a six-month par call feature. Standard Chartered Bank and Citibank acted as structuring agents and joint global coordinators, while Standard Chartered Bank, Citibank, Barclays, Emirates NBD, First Abu Dhabi Bank and Nomura acted as the Joint Lead Managers of the bond. The bonds are listed on the Euronext Dublin and NASDAQ Dubai. (Zawya)
- **DIB to suspend services for final merger phase with Noor Bank** – Dubai Islamic Bank (DIB) will temporarily suspend its services to complete the final phase of its merger with Noor Bank. The services will be suspended on 28-31 October, according to the bank’s disclosure to its customers. In January 2020, the bank has completed the acquisition of Noor Bank through a share swap agreement by issuing 651.2mn new shares. (Zawya)
- **ADNOC Onshore awards contracts to Galfar, Robt Stone** – ADNOC Onshore, a unit of ADNOC, awards two contracts to Galfar Engineering valued at \$155mn, and one contract to Robt Stone at \$168mn. Contracts include the development of a new bypass system for the existing crude receiving stations at Jebel Dhanna and Fujairah export terminals. (Bloomberg)
- **FAB's net profit falls 19.5% YoY to AED2,505.5mn in 3Q2020** – First Abu Dhabi Bank (FAB) recorded net profit of AED2,505.5mn in 3Q2020, registering decrease of 19.5% YoY. Net interest income fell 14.3% YoY to AED2,854.3mn in 3Q2020. Operating income fell 15.1% YoY to AED4,304.9mn in 3Q2020. Total assets stood at AED955.1bn at the end of September 30, 2020 as compared to AED822.0bn at the end of December 31, 2019. Loans and advances stood at AED388.8bn (-4.7% YTD), while customer accounts and other deposits stood at AED601.8bn (+15.9% YTD) at the end of September 30, 2020. Diluted EPS came in at AED0.22 in 3Q2020 as compared to AED0.27 in 3Q2019. (ADX)
- **National Bank of Kuwait's third-quarter net profit drops 38% on bad debt provisioning** – National Bank of Kuwait, the country’s biggest lender, on Monday reported a 38% drop in third-quarter net profit, hit by higher provisioning for bad debt and the slowdown caused by the coronavirus pandemic. NBK’s posted a net profit of KD57.6mn for the period ended September 30, down from KD93.1mn in the same period a year earlier. The IMF expects Kuwait’s economy to contract by 8.1% this year, as it warned the economic outlook was worsening for many emerging markets amid the coronavirus crisis. (Reuters)
- **Boubyan Bank reports net income of KD6.10mn for 3Q2020, a decrease of 63% YoY** – Boubyan Bank reported net income for the third quarter of KD6.10mn, a decrease of 63% YoY. The operating revenue for 3Q2020 came in at KD43.7mn, an increase of 23% YoY. Boubyan Bank has announced KD70mn in operating profits for the nine months ended September 2020, despite the exceptional situation the world and Kuwait are going through due to the unprecedented repercussions of the Covid-19 pandemic that swept the globe over the past months, leading to negative effects on the global and local economy. Moreover, the bank continued its prudent approach by allocating KD46mn in provisions, thereby ending the period with KD23.2mn in net profits., The Bank’s Vice-Chairman & Chief Executive Officer, Adel Abdul Wahab Al-Majed commented: “Despite the circumstances we have been going through during this year, the third quarter was better than the second quarter since we have witnessed a gradual return to our normal lives in many aspects while economic sectors started to recover gradually.” “As we continue our return to normal life while complying with the necessary health precautions, our optimism grows stronger, and this will reflect positively on the various sectors of our local economy.”, he added. He went on to add: “However, we had to allocate additional precautionary provisions to strengthen the bank’s financial position, and to bolster our ability to face any future repercussions of the ongoing Covid-19 crisis, which is normal as a result of this unprecedented crisis; a first of its kind in our modern world.” (Zawya, Bloomberg)
- **Oman Investment considering merger with Gulf Investment Services** – Oman Investment is considering a merger with Gulf Investment Services. The transaction is subject to due diligence, shareholder and regulatory approvals, Oman Investment and Finance said. Bank Muscat holds a 10% stake in Gulf Investment, according to data compiled by Bloomberg. (Bloomberg)
- **Oman sells OMR29mn 182-day bills; bid-cover at 1.14x** – Oman sold OMR29mn of 182-day bills due on April 28, 2021. Investors offered to buy 1.14 times the amount of securities sold. The bills were sold at a price of 99.723, have a yield of 0.557% and will settle on October 28, 2020. (Bloomberg)
- **BBK's net profit falls 35.7% YoY to BHD9.9mn in 3Q2020** – BBK recorded net profit of BHD9.9mn in 3Q2020, registering decrease of 35.7% YoY. Net interest and similar income fell 25.8% YoY to BHD19.6mn in 3Q2020. Total operating income fell 24.3% YoY to BHD27.8mn in 3Q2020. Total assets stood at BHD3.7bn at the end of September 30, 2020 as compared to BHD3.9bn at the end of December 31, 2019. Loans and advances to customers stood at BHD1.6bn (-5.2% YTD), while customers’ current, savings and other deposits stood at BHD2.1bn (-4.3% YTD) at the end of September 30, 2020. Diluted EPS came in at BHD0.007 in 3Q2020 as compared to BHD0.012 in 3Q2019. (Bahrain Bourse)
- **BISB reports net loss of BHD4.0mn in 3Q2020** – Bahrain Islamic Bank (BISB) recorded net loss of BHD4.0mn in 3Q2020 as compared to a profit of BHD1.7mn in 3Q2019. Total income

from jointly financed assets fell 9.1% YoY to BHD12.9mn in 3Q2020. Total income fell 9.4% YoY to BHD9.3mn in 3Q2020. Total assets stood at BHD1,217.4mn at the end of September 30, 2020 as compared to BHD1,223.6mn at the end of December 31, 2019. Financing assets stood at BHD562.7mn (-2.1% YTD), while placements from financial institutions stood at BHD114.9mn (-9.5% YTD) at the end of September 30, 2020. Loss per share came in at 3.81 fils in 3Q2020 as compared to EPS of 1.65 fils in 3Q2019. (Bahrain Bourse)

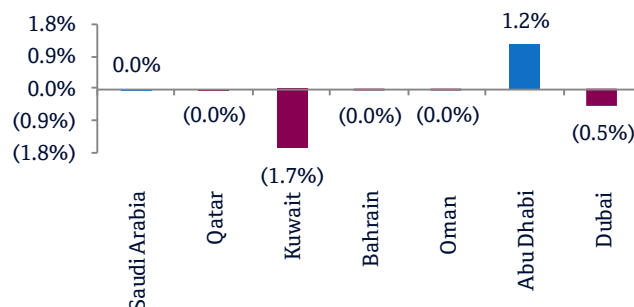
- **Investcorp grows US industrial real estate portfolio to approximately \$2bn** – Investcorp announced that it has acquired 32 industrial properties totaling approximately 3.5mn square feet across four major US markets for a total capitalization of over \$280mn. The properties grow Investcorp's wider US industrial real estate portfolios to approximately \$2bn with 22mn square feet comprised of more than 260 buildings. The latest acquisitions provide Investcorp with a new 96% leased portfolio of Class A and B warehouse, distribution, and flex industrial buildings with a diversified tenant base across a range of industries, including: healthcare, logistics, e-commerce, industrials, telecommunications and food services, among others. The portfolio includes a brand new, state of the art building leased 100% to a leading multinational Fortune 100 company. The properties comprising the portfolio are primarily located in the major industrial markets of Chicago, Illinois and Cleveland, Ohio, which rank as the first and 11th largest industrial markets in the US, respectively. Additional MSAs comprising the portfolio include Columbus and Cincinnati, Ohio. (Bahrain Bourse)
- **Middle East's top private equity firm ready to pounce as rivals fade** – The biggest private equity and alternative asset manager in the Middle East is on the lookout for deals after the economic fallout of the pandemic made companies cheaper to buy and scandals thinned out the competition. Investcorp Holding, which manages about \$34bn, is looking to do more in the region across the health-care, transport, logistics and industrial sectors, the firm's Head of private equity for the Middle East and North Africa, Walid Majdalani said. The firm, which has channeled \$1.4bn into the region over the past decade and made a return of about 1.8 times on invested capital, is also facing less competition from other private equity investors, he said. Over the past four years, Investcorp helped sell three family-controlled companies in which it held stakes on the Saudi stock exchange. "We see a lot of opportunity to replicate what we have done already in Saudi Arabia -- the difference is now business owners are a lot more realistic about valuations," Majdalani said. "Also, in terms of other people who do what we do and have teams on the ground, today we don't see a lot of competition." (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills at yield 2.23%** – Bahrain sold BHD70mn of 91-day bills due on January 27, 2021. The bills were sold at a price of 99.441, have a yield of 2.23% and will settle on October 28, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,902.08	0.0	0.0	25.4
Silver/Ounce	24.28	(1.3)	(1.3)	36.0
Crude Oil (Brent)/Barrel (FM Future)	40.46	(3.1)	(3.1)	(38.7)
Crude Oil (WTI)/Barrel (FM Future)	38.56	(3.2)	(3.2)	(36.8)
Natural Gas (Henry Hub)/MMBtu	2.90	0.0	0.0	38.8
LPG Propane (Arab Gulf)/Ton	53.38	(1.2)	(1.2)	29.4
LPG Butane (Arab Gulf)/Ton	61.50	(0.4)	(0.4)	(6.1)
Euro	1.18	(0.4)	(0.4)	5.3
Yen	104.84	0.1	0.1	(3.5)
GBP	1.30	(0.1)	(0.1)	(1.8)
CHF	1.10	(0.4)	(0.4)	6.6
AUD	0.71	(0.2)	(0.2)	1.5
USD Index	93.05	0.3	0.3	(3.5)
RUB	76.44	0.4	0.4	23.3
BRL	0.18	(0.1)	(0.1)	(28.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,390.08	(1.7)	(1.7)	1.3
DJ Industrial	27,685.38	(2.3)	(2.3)	(3.0)
S&P 500	3,400.97	(1.9)	(1.9)	5.3
NASDAQ 100	11,358.94	(1.6)	(1.6)	26.6
STOXX 600	355.95	(2.0)	(2.0)	(9.9)
DAX	12,177.18	(3.9)	(3.9)	(3.1)
FTSE 100	5,792.01	(1.2)	(1.2)	(24.6)
CAC 40	4,816.12	(2.1)	(2.1)	(15.2)
Nikkei	23,494.34	(0.2)	(0.2)	3.1
MSCI EM	1,130.65	(0.5)	(0.5)	1.4
SHANGHAI SE Composite	3,251.12	(1.2)	(1.2)	10.6
HANG SENG [#]	24,918.78	0.0	0.0	(11.2)
BSE SENSEX	40,145.50	(1.5)	(1.5)	(6.3)
Bovespa	101,017.00	(0.3)	(0.3)	(37.6)
RTS	1,152.33	(1.0)	(1.0)	(25.6)

Source: Bloomberg (*\$ adjusted returns, #Market was closed on October 26, 2020)

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