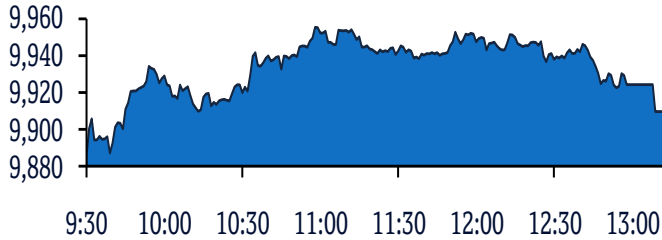


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.3% to close at 9,910.7. Gains were led by the Real Estate and Banks & Financial Services indices, gaining 1.1% and 1.0%, respectively. Top gainers were Qatar Cinema & Film Distribution Company and United Development Company, rising 9.7% and 5.3%, respectively. Among the top losers, Ooredoo fell 3.4%, while Doha Insurance Group was down 2.5%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.6% to close at 8,284.3. Losses were led by the Food & Bev. and Diversified Financials indices, falling 1.5% and 1.2%, respectively. Wataniya Insurance Co. declined 9.5%, while Najran Cement Co. was down 3.9%.

**Dubai:** The DFM Index fell 0.4% to close at 2,252.9. The Consumer Staples and Discretionary index declined 2.0%, while the Services index fell 1.0%. Ithmaar Holding declined 4.9%, while Al Salam Group Holding was down 4.7%.

**Abu Dhabi:** The ADX General Index gained 0.1% to close at 4,494.8. The Banks index rose 0.3%, while the Investment & Financial Serv. index gained 0.2%. Methaq Takaful Insurance rose 3.0%, while Manazel Real Estate was up 2.8%.

**Kuwait:** The Kuwait All Share Index fell 2.2% to close at 5,445.2. The Utilities index declined 3.9%, while the Industrials index fell 3.1%. Al Salam Group Holding Co. declined 10.5%, while Aayan Leasing & Investment was down 9.8%.

**Oman:** The MSM 30 Index fell 0.2% to close at 3,614.6. Losses were led by the Industrial and Services indices, falling 0.1% each. United Finance Company declined 9.2%, while Majan College was down 5.6%.

**Bahrain:** The BHB Index fell 1.3% to close at 1,430.8. The Commercial Banks index declined 2.1%, while the Industrial index fell 0.5%. Ithmaar Holding declined 4.0%, while Ahli United Bank was down 3.7%.

Market Indicators	29 Sep 20	28 Sep 20	%Chg.
Value Traded (QR mn)	807.9	498.8	62.0
Exch. Market Cap. (QR mn)	584,423.0	582,068.7	0.4
Volume (mn)	412.8	300.7	37.3
Number of Transactions	11,294	10,614	6.4
Companies Traded	47	45	4.4
Market Breadth	20:23	35:7	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,053.03	0.3	1.3	(0.7)	16.1
All Share Index	3,060.07	0.5	1.7	(1.3)	16.9
Banks	4,081.54	1.0	2.2	(3.3)	13.7
Industrials	2,946.67	(0.0)	0.4	0.5	25.6
Transportation	2,803.22	0.2	1.6	9.7	13.3
Real Estate	2,075.29	1.1	3.0	32.6	17.0
Insurance	2,269.07	(1.6)	8.5	(17.0)	32.9
Telecoms	912.09	(2.6)	(5.2)	1.9	15.4
Consumer	7,883.88	(0.2)	0.4	(8.8)	24.7
Al Rayan Islamic Index	4,151.36	0.2	0.9	5.1	19.4

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
National Bank of Oman	Oman	0.17	1.8	1,357.2	(7.6)
Southern Prov. Cement	Saudi Arabia	68.20	1.8	487.4	5.9
QNB Group	Qatar	18.00	1.7	4,273.6	(12.6)
Jarir Marketing Co.	Saudi Arabia	188.00	1.5	205.0	13.5
Advanced Petrochem. Co.	Saudi Arabia	58.50	1.2	447.8	18.4

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ahli United Bank	Kuwait	0.27	(4.9)	1,701.1	(16.8)
Ahli United Bank	Bahrain	0.76	(3.7)	965.9	(20.3)
Ahli Bank	Oman	0.14	(3.6)	7.3	9.0
Ooredoo	Qatar	6.62	(3.4)	2,945.8	(6.5)
Agility Public Wareh. Co.	Kuwait	0.66	(3.1)	7,393.9	(7.6)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	4.30	9.7	18.6	95.4
United Development Company	1.93	5.3	106,371.0	27.0
Widam Food Company	7.10	3.0	321.8	5.0
Ahli Bank	3.29	2.5	6.5	(1.3)
Investment Holding Group	0.62	2.3	93,830.8	10.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
United Development Company	1.93	5.3	106,371.0	27.0
Investment Holding Group	0.62	2.3	93,830.8	10.3
Qatar Aluminium Manufacturing	1.02	(0.9)	25,223.3	30.7
Alijarah Holding	1.18	(0.6)	21,456.7	67.0
Mazaya Qatar Real Estate Dev.	1.18	(2.0)	16,383.1	64.4

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Ooredoo	6.62	(3.4)	2,945.8	(6.5)
Doha Insurance Group	1.17	(2.5)	5,758.3	(2.5)
Qatar Insurance Company	2.34	(2.5)	9,726.6	(25.9)
INMA Holding	4.26	(2.0)	1,291.3	123.9
Mazaya Qatar Real Estate Dev.	1.18	(2.0)	16,383.1	64.4

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
United Development Company	1.93	5.3	202,627.0	27.0
QNB Group	18.00	1.7	76,774.1	(12.6)
Investment Holding Group	0.62	2.3	58,840.6	10.3
Masraf Al Rayan	4.12	0.0	43,767.8	4.0
Baladna	2.23	0.4	29,722.1	122.8

Source: Bloomberg (\* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,910.72	0.3	1.3	0.7	(4.9)	219.63	158,612.4	16.1	1.5	4.0
Dubai	2,252.91	(0.4)	0.0	0.3	(18.5)	72.04	85,613.3	8.5	0.8	4.3
Abu Dhabi	4,494.75	0.1	0.6	(0.5)	(11.4)	92.76	182,139.8	16.4	1.3	5.4
Saudi Arabia	8,284.34	(0.6)	0.6	4.3	(1.3)	3,821.94	2,448,844.7	30.2	2.0	2.5
Kuwait	5,445.20	(2.2)	(2.9)	2.9	(13.3)	341.17	105,427.5	29.2	1.4	3.6
Oman	3,614.64	(0.2)	(0.3)	(4.2)	(9.2)	2.54	16,328.1	10.7	0.7	6.8
Bahrain	1,430.84	(1.3)	(1.3)	3.6	(11.1)	6.48	22,111.2	13.3	0.9	4.9

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

## Qatar Market Commentary

- The QE Index rose 0.3% to close at 9,910.7. The Real Estate and Banks & Financial Services indices led the gains. The index rose on the back of buying support from Qatari and GCC shareholders despite selling pressure from Arab and Foreign shareholders.
- Qatar Cinema & Film Distribution Company and United Development Company were the top gainers, rising 9.7% and 5.3%, respectively. Among the top losers, Ooredoo fell 3.4%, while Doha Insurance Group was down 2.5%.
- Volume of shares traded on Tuesday rose by 37.3% to 412.8mn from 300.7mn on Monday. Further, as compared to the 30-day moving average of 363.6mn, volume for the day was 13.5% higher. United Development Company and Investment Holding Group were the most active stocks, contributing 25.8% and 22.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	50.31%	42.93%	59,641,343.5
Qatari Institutions	17.05%	24.14%	(57,256,486.6)
<b>Qatari</b>	<b>67.36%</b>	<b>67.06%</b>	<b>2,384,856.9</b>
GCC Individuals	0.96%	0.81%	1,235,205.2
GCC Institutions	2.69%	0.54%	17,385,269.2
<b>GCC</b>	<b>3.66%</b>	<b>1.35%</b>	<b>18,620,474.3</b>
Arab Individuals	10.21%	10.68%	(3,776,781.3)
<b>Arab</b>	<b>10.21%</b>	<b>10.68%</b>	<b>(3,776,781.3)</b>
Foreigners Individuals	3.05%	2.55%	4,063,799.4
Foreigners Institutions	15.72%	18.36%	(21,292,349.2)
<b>Foreigners</b>	<b>18.77%</b>	<b>20.91%</b>	<b>(17,228,549.9)</b>

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

## Global Economic Data and Earnings Calendar

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
09/29	UK	Bank of England	Money Supply M4 MoM	Aug	-0.4%	-	0.8%
09/29	UK	Bank of England	M4 Money Supply YoY	Aug	12.1%	-	13.4%
09/29	EU	European Commission	Consumer Confidence	Sep	-13.9	-	-13.9
09/29	Germany	German Federal Statistical Office	CPI MoM	Sep	-0.2%	-0.1%	-0.1%
09/29	Germany	German Federal Statistical Office	CPI YoY	Sep	-0.2%	0.0%	0.0%
09/29	France	INSEE National Statistics Office	Consumer Confidence	Sep	95	93	95
09/29	Japan	ERROR	Tokyo CPI YoY	Sep	0.2%	0.1%	0.3%

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
QNBK	QNB Group	11-Oct-20	11	Due
MARK	Masraf Al Rayan	11-Oct-20	11	Due
QIBK	Qatar Islamic Bank	14-Oct-20	14	Due
ERES	Ezdan Holding Group	14-Oct-20	14	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	19-Oct-20	19	Due
QEWS	Qatar Electricity & Water Company	19-Oct-20	19	Due
QIGD	Qatari Investors Group	19-Oct-20	19	Due
DHBK	Doha Bank	27-Oct-20	27	Due
MERS	Al Meera Consumer Goods Company	28-Oct-20	28	Due
ORDS	Ooredoo	28-Oct-20	28	Due
UDCD	United Development Company	28-Oct-20	28	Due
AHCS	Aamal Company	29-Oct-20	29	Due

Source: QSE

## News

### Qatar

- **QIBK to disclose 3Q2020 financial statements on October 14** – Qatar Islamic Bank (QIBK) intends to disclose the 3Q2020 financial statements for the period ending September 30, 2020, on October 14, 2020. (QSE)
- **MERS to disclose 3Q2020 financial statements on October 28** – Al Meera Consumer Goods Company (MERS) intends to disclose the 3Q2020 financial statements for the period ending September 30, 2020, on October 28, 2020. (QSE)
- **Baker Hughes announces major LNG turbomachinery order from QP for NFE project** – Global energy technology company Baker Hughes announced an order with longtime partner Qatar Petroleum (QP) to supply multiple main refrigerant compressors (MRCs) for the North Field East (NFE) project, executed by Qatargas. The total award is part of four LNG “mega trains,” representing 33mn tons per year (tpy) of additional capacity, which will increase Qatar’s total liquefied natural gas (LNG) production capacity from 77mn tpy to 110mn tpy and help to propel the Gulf nation to global LNG production leadership by 2025. This order is among the largest LNG deals secured by Baker Hughes in the past five years, for both MTPY and equipment awarded. The order reinforces more than two decades of trust and successful turbo-machinery collaboration between Baker Hughes, QP and Qatargas. With Qatargas already operating six existing LNG mega trains, driven by Frame 9E gas turbine refrigerant compressors provided by Baker Hughes, the NFE project underscores the leadership of Baker Hughes LNG technology in the Gulf region and for the world’s most complex LNG projects. (Gulf-Times.com)
- **Qatar’s general PPI rises 4.9% MoM in August** – Qatar’s General Producer Price Index (PPI) of August increased by 4.9% when compared with previous month, the Planning and Statistics Authority (PSA) said yesterday. Producer price index covers goods relating to mining (weight: 72.7%), manufacturing (weight: 26.8%), and electricity and water (weight: 0.5%). In terms of mining, the PPI for August showed an increase of 7.1% when compared to July, primarily due to the increase in price of crude petroleum and natural gas by 7.1%. In terms of manufacturing, an increase of 2.2% was recorded in August, when compared with the previous month. In terms of electricity and Water, the PPI showed an increase of 2.1% in August compared to July, resulting from a rise in water by 2.2%, and electricity by 1.8%. (Gulf-Times.com)
- **Qatar Aviation Services handles 225,000 plus flights, 37mn passengers last year** – Qatar Airways subsidiary, QAS served more than 37mn passengers and handled more than 225,000 flights in 2019-20, delivering an on-time performance rate of above 99.2% and meeting the special assistance needs of 980,000 passengers in fiscal 2020. Qatar Aviation Services team also handled more than 49mn pieces of baggage in fiscal 2020, with a miss-handling rate of only 0.74 per 1,000 passengers, resulting in the production of more than 130,000 load sheets safely. QAS achieved an efficient on-time delivery of cargo, which exceeded 2.2mn tons per year with an average growth rate of 14% per year, Qatar Airways Group said in its Annual Report 2020. On the ramp, the QAS team maintained an operational capability of more than 94% for 1,850 motorized

and over 5,050 non-motorized items of ground service equipment. (Gulf-Times.com)

- **Iran, Qatar discusses electricity exchange** – The Minister of Energy of the Islamic Republic of Iran and the Minister of Energy of Qatar discussed the importance and benefits of connecting Iran’s electricity network to Qatar in a video conference. In the video conference meeting between Reza Ardakanian and Saad Sherida Al-Kaabi, the two sides discussed regional initiatives to develop cooperation in unconventional water affairs, including seawater desalination and the use of treated wastewater, Trend reports citing Mehr News Agency. The Qatari side announced its readiness to participate in the mutual plans. Ardakanian raised the issue of electricity exchange with Qatar. Referring to the continuous exchange of electricity between Iran and other neighbors, he says that Qatar sometimes has excess electricity production and this electricity has a good market in the region including Pakistan, Afghanistan, and Iraq. While announcing the support of the unconventional water projects Saad Sherida Al-Kaabi, suggested the expert meetings on the relevant projects. Saad Sherida Al-Kaabi said that the electricity exchange between the two countries is possible and this proposal should be worked on. He went on to say that the projects can be implemented by the private sector of the two countries. (Bloomberg)

### International

- **US consumer confidence surges; goods trade deficit widens** – US consumer confidence rebounded more than expected in September amid an improvement in labor market views, but it remained below levels that prevailed before the COVID-19 pandemic struck the nation early this year. The surge in confidence reported by the Conference Board on Tuesday came despite a resurgence in new coronavirus cases in some parts of the country and as government help for businesses and the unemployed dries up. Consumers also appeared to shrug off growing uncertainty ahead of the November 3 presidential election. Some economists said the strong confidence reading could ease pressure on the White House and Congress for another rescue package. “The sheer magnitude of today’s rise tells us the consumer thinks the worst days of the recession are over,” said Chris Rupkey, chief economist at MUFJ in New York. “It’s a big step forward for the economy and is supportive of stronger growth in the fourth quarter even if Washington remains unable to provide additional fiscal stimulus.” The Conference Board’s consumer confidence index increased to a reading of 101.8 this month from 86.3 in August. Economists polled by Reuters had forecast the index edging up to a reading of 89.5 in September. The index topped 130 early this year. The cutoff date for the survey was September 18. The survey’s present situation measure, based on consumers’ assessment of current business and labor market conditions, increased to a reading of 98.5 from 85.8 in August. The expectations index based on consumers’ short-term outlook for income, business and labor market conditions jumped to 104.0 from a reading of 86.6 in August. (Reuters)
- **US goods trade deficit widens in August** – The US’s trade deficit in goods widened in August, with imports rising as businesses rebuild inventories which were depleted when the COVID-19

pandemic upended the flow of goods. The Commerce Department said on Tuesday the goods trade gap increased 3.5% to \$82.9bn last month. Imports of goods rose 3.1% to \$201.3bn, eclipsing a 2.8% increase in goods exports to \$118.3bn. (Reuters)

- **UK mortgages hit 13-year high but consumers curb other borrowing** – British mortgage approvals hit their highest in almost 13 years in August, underscoring the scale of the post-lockdown bounce-back in the housing market, but consumers turned more cautious about day-to-day borrowing, Bank of England data showed. Boosted by a tax cut for home-buyers and a surge in demand for more spacious homes after the lockdown, mortgage approvals jumped to 84,715 from 66,288 in July, their highest level since October 2007, just before the global financial crisis. Economists polled by Reuters had expected Tuesday's figures to show about 71,000 approvals. Mortgage lending rose by a weaker-than-expected 3.1bn Pounds (\$4.0bn) in August. Consumer borrowing, a key driver of economic growth, increased by only 300mn Pounds in August from July compared with a median forecast for a 1.45bn Pound increase in the Reuters poll. Compared with August last year, consumer borrowing sank by 3.9%, the sharpest fall since the BoE began measuring the data in 1994. (Reuters)
- **Johnson targets skills after COVID reveals shortage** – Britain will give adults the chance to learn new skills, Prime Minister Boris Johnson said on Tuesday, in an effort to boost productivity and aid a recovery from the COVID-19 pandemic. Johnson said the crisis has exposed shortages of crucial skills and economic weaknesses as he announced measures including free courses for adults without qualifications. "Our economy has been shaken by COVID, and in the hand-to-mouth scrabbings of the pandemic, the shortcomings of our labor market and our education system have been painfully apparent," Johnson said in a speech. He cited construction, engineering, mechanics and laboratory work as areas where there was a shortage of skilled labor. "At this moment, when we need them so much, there is a shortage of UK-trained lab technicians, just as there is a shortage of so many crucial skills," he said. Britain's unemployment rate, already at over 4%, is expected to rise further as a job subsidy scheme expires next month, to be replaced by a scaled-back job support program. "We cannot, alas, save every job. What we can do is give people the skills to find and create new and better jobs," Johnson said. The measures will include funding to enable adults without qualifications to take certain college courses without paying fees, as well as flexible loans allowing people to space out their study and transfer credits between colleges. The government will also seek to boost the number of apprenticeships, with more funding for small and medium firms, and extend a pilot program known as digital skill boot camps. The number of people doing vocational training has been falling over the past two decades, the government said, adding that 10% of adults in Britain held a higher technical qualification as their highest qualification, compared with 20% in Germany and 34% in Canada. (Reuters)
- **Eurozone sentiment improves more than expected in September** – Eurozone economic sentiment improved more than expected in September, data showed on Tuesday, mainly

thanks to a rise in optimism in the services sector despite concerns about a second wave of the COVID-19 pandemic. The European Commission's monthly survey showed sentiment in the 19 countries sharing the euro rising to 91.1 points this month from 87.5 in August, beating market expectations of an improvement to 89.0 points. The gains were mainly a result of sentiment in services, the euro zone economy's biggest sector producing some two thirds of gross domestic product, improving to -11.1 from -17.2. Economists polled by Reuters had expected a rise to only -15.7. Optimism in industry rose to -11.1 from -12.8, falling short of expectations of a rise to -10.0 and consumer sentiment was in line with expectations rising to -13.9 from -14.7. Inflation expectations in industry improved to -0.6 from -2.1 but continued to fall among consumers, easing to 12.5 from 16.9 in August. (Reuters)

- **EU will not accept Britain going back on Brexit deal, Germany's Roth says** – Germany's Europe Minister Michael Roth has written an open letter to the British government saying that the European Union (EU) cannot and will not accept London questioning the Brexit agreement signed nine months ago. "The British internal market bill would gravely violate key parts of the Withdrawal Agreement," Roth said in the letter published in Der Spiegel on Tuesday. "The Withdrawal Agreement, which is after all an international treaty, was only negotiated and signed nine months ago and you're already throwing it into question again? The EU cannot and will not accept this," he added. Roth said a fair deal would be possible if both Britain and the EU showed willingness to compromise but added that the EU was well prepared if it came to a no-deal Brexit. (Reuters)
- **Cheaper energy, VAT cut push German inflation further into negative territory** – German annual consumer prices fell further in September due to lower energy costs and a VAT cut as part of the government's stimulus push to help Europe's largest economy recover from the coronavirus shock, data showed on Tuesday. German consumer prices, harmonized to make them comparable with inflation data from other European Union countries, fell 0.4% YoY after shrinking by 0.1% in the previous month, the Federal Statistics Office said. This compared with a Reuters forecast for a 0.1% decline and was the lowest reading since January 2015. "The inflation rate is influenced, among other things, by the VAT cut that came into effect on July 1, 2020," the office said in a statement. On the month, harmonized prices also fell by 0.4%. A Reuters poll had predicted a 0.1% drop. The European Central Bank has a target of keeping inflation close to but below 2% in the Eurozone. (Reuters)
- **Spain extends COVID furlough scheme to January** – Spain on Tuesday agreed a last-minute extension of a scheme supporting hundreds of thousands of workers furloughed due to COVID-19, as part of a broader social protection package. Spain is the European country with the highest number of coronavirus cases and its economy, the Eurozone's fourth-largest, is in its deepest recession on record. In a deal reached hours before the ERTE furlough scheme was due to expire, the government agreed with unions and businesses to extend it until January 31. "It's a day of hope for our country's businesses and workers," Labor Minister Yolanda Diaz told a news conference after a weekly cabinet meeting. "If we can make it through the autumn and the winter, then we will definitely be entering a

recovery.” Since its introduction in mid-March, when authorities also imposed one of Europe’s strictest coronavirus lockdowns, the ERTE program has supported millions of workers. As curbs were lifted in mid-June, many people returned to their jobs. But as of September some 750,000 workers were still receiving ERTE benefits, Social Security Minister Jose Luis Escriva told the same news conference. (Reuters)

- **Japan's factory output rises for third month in August** – Japan’s factory output rose for the third straight month in August, in a positive sign for manufacturers as economic activity gradually recovered further from the impact of the coronavirus pandemic. Demand among Japan’s global trading partners, and especially China, has come off lows seen earlier this year when the virus crisis forced governments to impose lockdowns that hurt global trade and production. Separate data showed retail sales posted their sixth straight month of declines in August as worries over a fragile economic recovery kept a lid on consumer spending. Official data released on Wednesday showed factory output increased 1.7% in August from the previous month, boosted by rebounding production of automobiles and car parts as well as iron, steel and non-ferrous metals. August’s rise, which was much slower than the previous month’s record 8.7% gain, came in largely in line with the median market forecast of 1.5% growth in a Reuters poll of economists. Manufacturers expect output to rise 5.7% in September and 2.9% in October, the Ministry of Economy, Trade and Industry (METI) said. (Reuters)
- **Japan's land prices drop for first time in three years as coronavirus hurts demand** – Japanese land prices have fallen for the first time in three years, marking an average decline of 0.6% nationwide after the coronavirus pandemic weakened demand, a government survey found. Prior to the pandemic, land prices had been making a steady recovery with demand for hotels and other commercial properties particularly strong due to robust tourism and ahead of the now delayed Tokyo Olympics. An increase in demand for offices from companies had also helped. But commercial land prices slipped 0.3% in the year to July 1, their first decline in five years, the land ministry’s annual survey found. “Land prices related to hotels and shops showed relatively big changes but price changes for many other types of areas were smaller,” a land ministry official said. Residential land prices, which have been declining since 1992 in the wake of the bursting of Japan’s bubble economy, accelerated their pace of falls, dropping 0.7% after a 0.1% dip in the previous year. Land prices are among data closely watched by the Bank of Japan to monitor how its super-loose monetary policy is affecting the economy and asset prices. The ministry surveyed about 21,500 locations nationwide. (Reuters)
- **China's factory activity accelerates at solid pace in September on boost from overseas demand** – China’s factory activity extended solid growth in September, twin surveys showed, as the nation’s crucial exports engine revved up on improving overseas demand and underlined a steady economic recovery from the coronavirus shock. The official manufacturing Purchasing Manager’s Index (PMI) rose to 51.5 in September from 51.0 in August, according to data from the National Bureau of Statistics (NBS) on Wednesday, remaining above the

50-point mark that separates growth from contraction for the seventh month. Analysts had expected it to pick up slightly to 51.2. A private survey, also released on the day, painted a similar picture of the manufacturing sector gaining momentum backed by stronger overseas demand. China’s vast industrial sector is steadily returning to the levels seen before the pandemic paralyzed huge swathes of the economy, as pent-up demand, stimulus-driven infrastructure expansion and surprisingly resilient exports propel a recovery. The official PMI, which largely focuses on big and state-owned firms, also showed the sub-index for new export orders stood at 50.8 in September, improving from 49.1 a month earlier and snapping eight months of declines. China’s economy, which grew 3.2% in the second quarter year-on-year, is set to expand 2.2% this year – the weakest in over three decades. A sub-index for employment in the official PMI improved slightly but remained in contractionary territory. It stood at 49.6 in September from 49.4 the month before, indicating the pressure on jobs and keeping policymakers primed for more support measures. (Reuters)

- **Brazil's government backs new basic income payments to poor** – Brazil’s government on Monday detailed how it would pay for a new minimum income program called Renda Cidadã, with President Jair Bolsonaro and Economy Minister Paulo Guedes still pledging to honor the country’s spending cap and fiscal rules. The proposed program would replace Bolsa Família, the successful flagship welfare program of former Workers Party President Luiz Inacio Lula da Silva, which pays women a stipend on the condition that they send their children to school and has been credited with reducing poverty in Brazil. Renda Cidadã, which translates as “Citizen Income,” would draw from funds already dedicated to Bolsa Família, as well as from an education fund called Fundeb, said Senator Márcio Bittar, speaking on the sidelines of a meeting between top officials at Bolsonaro’s official residence. At the same meeting, Guedes said the aim was for the new program to begin on January 1, just as emergency pandemic payments to the poor are set to end. While Bolsonaro had previously given free reign to Guedes on economic policy, the president’s backing of big spending to support the economy amid the coronavirus pandemic has led to tensions with Guedes, who favors fiscal discipline. (Reuters)
- **Brazil government posts \$17bn budget deficit in August as emergency spending continues apace** – Brazil’s government posted a primary budget deficit of 96.1bn Reais (\$17bn) in August, the Treasury said on Monday, as the coronavirus crisis continued to necessitate huge emergency spending. The deficit, excluding interest payments, was slightly less than the 98.7 billion reais deficit economists in a Reuters poll had predicted. The shortfall, excluding interest payments, expanded in the first eight months of the year to 601.3bn Reais. That compares with an accumulated deficit of 52.1bn Reais in the same period last year, Treasury said. In the 12 months to August, the deficit totaled 647.8bn reais, or 9% of GDP, Treasury said. The government’s 2020 forecast is for a record-busting primary deficit of 871bn Reais, or 12.1% of GDP, assuming the economy shrinks this year by 4.7%. Net revenues in August rose nearly 6% in real terms from the same month last year to 102.1bn Reais, mainly due to the partial reversal of certain tax deferrals, Treasury said. Spending in August was 74% higher at 198.1bn

Reais, Treasury said. This included 93bn Reais on crisis-fighting measures, including 45.3bn on emergency transfers to millions of Brazil's poorest people and 15bn Reais support for local governments. (Reuters)

- **Russia to boost LPG output in east, but bottlenecks curb exports** – Output of liquefied petroleum gas (LPG) in the east of Russia is expected to increase by 1.0-1.2mn tons next year, according to producers' plans, although exports to energy-hungry Asia could be limited by a lack of infrastructure. Production of LPG from eastern Russia will account for up to 15% of the country's total output in the next few years, according to Reuters' calculations. LPG, or propane and butane, is mainly used as fuel for cars, heating and to produce other petrochemicals. (Reuters)

#### **Regional**

- **Kuwait Amir passes away; Amir mourns demise** – Kuwait's Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah died Tuesday aged 91, plunging his country into mourning for a leader regarded by Gulf Arabs as a savvy diplomatic operator and a humanitarian champion. The cabinet announced his brother and designated successor Crown Prince Sheikh Nawaf Al-Ahmad Al-Sabah as the new ruler, in a statement read on state television. The parliamentary speaker tweeted that Sheikh Nawaf, 83, would be sworn in Wednesday. Sheikh Sabah had ruled the wealthy oil producer and US ally since 2006 and steered its foreign policy for more than 50 years. His Highness the Amir Sheikh Tamim bin Hamad Al-Thani has mourned with great sorrow and sadness, the death of Kuwait Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, who passed away on Tuesday. His Highness the Amir stressed, in a statement by the Amiri Diwan, that Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah was a great leader characterized by wisdom, moderation, and long-term vision. "The late Amir dedicated his life to serve his country and his ummah, called for dialogue, solidarity and unity among Arab countries to defend their just causes," he recalled. (Gulf-Times.com)
- **IMF urges higher social spending in Middle East, Central Asia** – Governments in the Middle East and Central Asia need to increase spending in areas such as social protection, education and public health, where vulnerabilities have been exposed by the coronavirus pandemic, the International Monetary Fund said. The region, spanning around 30 countries from Mauritania to Kazakhstan, still lags global peers in terms of social spending and "socioeconomic outcomes," the Washington-based multilateral lender said in a study published on Tuesday. "The pandemic has further magnified these challenges and brought into sharp focus the urgent need for higher social spending, particularly on health and social protection, to save lives and protect the most vulnerable," it said. The IMF has estimated that real gross domestic product across the region will shrink by 4.7% this year as the pandemic hits sectors such as tourism and trade. Low oil prices and crude production cuts are meanwhile straining the finances of regional oil exporters and reducing remittances. (Reuters)
- **Saudi Arabia may keep November crude prices to Asia little changed** – Top oil exporter Saudi Arabia is expected to keep its November official selling prices (OSPs) little changed for Asian buyers in line with Middle East benchmarks, a survey showed on Tuesday. Seven people from various Asian refineries expect

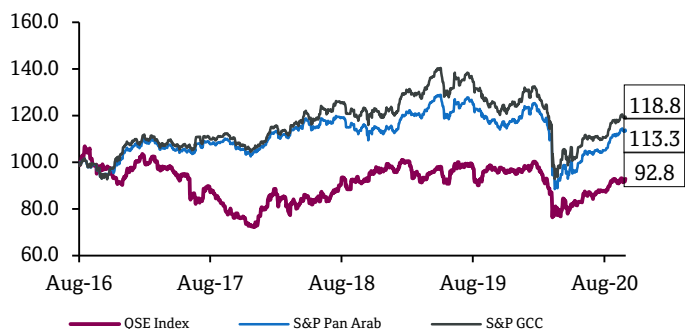
the November OSP for flagship Arab Light crude to rise by \$0.03 a barrel on average from the previous month, a Reuters survey showed. Five of the seven respondents expect prices to stay unchanged or rise slightly while the remaining two expect prices to fall, the survey showed. Their price forecasts range from an increase of \$0.20-\$0.30 a barrel to a reduction of \$0.30. Some of the respondents said small price hikes would track a similar rise in physical Dubai in September from August, one of two benchmarks used by Aramco to set prices. The other benchmark, DME Oman, slipped into a wider discount. Stronger gasoline and naphtha cracks provided support for Saudi light crude prices, the sources said. However, high product inventories in key markets like China and mobility restrictions in response to rising COVID-19 cases are likely to cap fuel demand and squeeze refiners' margins, they added. (Reuters)

- **Rosneft, Aramco unlikely to bid for India BPCL privatization** – Oil majors Rosneft and Saudi Aramco are unlikely to bid in the privatization of Indian refiner Bharat Petroleum Corp, sources said, as low oil prices and weak fuel demand curb their investment plans. Russia's Rosneft had expressed interest in buying the federal government 53.29% stake in Bharat Petroleum (BPCL) when CEO, Igor Sechin visited New Delhi in February, while India's trade minister had said Aramco was enthusiastic about the stake sale opportunity. A Rosneft source, however, said his company will not buy BPCL. Another source said Rosneft would only be interested in BPCL's marketing business comprising fuel depots and more than 16,800 fuel stations. "For this, India has to sell BPCL in parts," the source said. The Indian government - which needs funds to finance welfare schemes and bridge a fiscal deficit that has already topped the annual target - had aimed to raise \$8bn to \$10bn through the sale of its stake in BPCL. But BPCL's share price has plunged nearly 30% over the past year to trade at around 386 rupees a piece on Tuesday. (Reuters)
- **Zain Saudi raises \$1.6bn Islamic loan** – Mobile Telecommunications Company Saudi Arabia (Zain KSA) has raised a \$1.60bn loan to refinance existing debt and secure access to additional liquidity to support growth, it said in a bourse filing. The Islamic loan, with a Murabaha structure, refinances until 2025 an existing debt facility with an outstanding amount of SR3.85bn. The new debt package has a two-year grace period and better commercial terms, said the company, which is 37% owned by Kuwait's Zain Group. On September 30, "the company will drawdown only the outstanding amount of the existing agreement (SR3.85bn) and will withdraw the remaining amount as per the company business requirements," it said. Murabaha financing is a cost-plus-profit arrangement compliant with Islamic finance standards. "This favorable refinanced Murabaha facility is expected to reduce the cost of the debt, improve the financial performance, and the profitability of the company," Zain KSA said. (Reuters)
- **UAE, Israeli ministers discuss energy, technology cooperation** – The UAE's Minister of state for industry and advanced technology and Head of state-run Abu Dhabi National Oil Company (ADNOC), Sultan Al-Jaber met the Israeli ministers of Energy and Economy and Industry, ADNOC said. He had

discussions with them on cooperation opportunities in energy, technology and industry, ADNOC said. (Reuters)

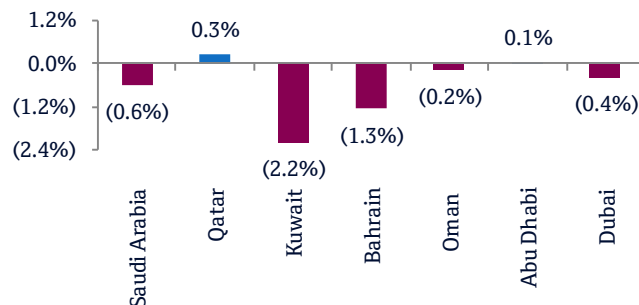
- **S&P: More downside expected for Dubai real estate sector** – The Dubai real estate market will continue to suffer over the next few years amid an “inherent oversupply situation”, an analyst at S&P said. “We expect more downside especially in residential prices and rents,” Director for corporate ratings, Sapna Jagtiani said. (Reuters)
- **Dubai's DFM says to launch equity derivatives platform** – The Dubai Financial Market (DFM) said on Tuesday it plans to launch an equity derivatives platform as part of its diversification strategy. The platform will be launched in October 2020 with futures contracts on five listed equities, the listed stock exchange said in a statement. The contracts will include Emaar Properties, Dubai Islamic Bank, Emirates NBD, Emaar Development and Emaar Malls. (Reuters)
- **ADNOC and Apollo-led consortium close \$5.5bn real estate investment partnership** – The Abu Dhabi National Oil Company (ADNOC) said on Tuesday it closed its \$5.5bn real estate investment partnership with entities owned and/or advised by Apollo Global Management Inc subsidiaries and a group of institutional investors. The closing takes the combined investment in select ADNOC real estate assets by the investor consortium to \$2.7bn, the company said in a statement. The Apollo-led consortium collectively holds a 49% stake in Abu Dhabi Property Leasing Holding Company RSC Limited (ADPLHC). ADNOC retains a 51% majority stake, according to the statement. (Reuters)
- **Abu Dhabi's Mubadala in advanced talks to invest up to \$1bn in Reliance Retail** – Abu Dhabi state fund Mubadala Investment Co is in advanced talks to invest up to \$1bn in the retail division of India's Reliance Industries Ltd, sources told Reuters, as investor interest in the Indian company surges. Reliance Retail is on a fund-raising spree and has secured around \$1.8bn in the past few weeks from KKR & Co and Silver Lake Partners. Reliance, controlled by Asia's richest man Mukesh Ambani, has approached investors, who collectively pumped more than \$20bn into its Jio Platforms digital business this year, to take stakes in its retail business, which has nearly 12,000 stores and sells everything from groceries and electronics to fashion and shoes. Mubadala invested around \$1.2bn in Jio Platforms and its executives have held extensive talks in recent weeks with Reliance for investing in its retail venture, several sources familiar with the talks said. While one source said Mubadala “is ready with” \$1bn for Reliance Retail and doing due diligence, a second source said the talks were at an advanced stage and said the investment could be anywhere between \$500mn and \$1bn. A Reliance spokesman said the company cannot confirm or deny any transaction, adding: the “company evaluates various opportunities on an ongoing basis.” (Reuters)
- **Mubadala taking less than 5% stake under Silver Lake strategy** – Mubadala Investment Co. will be contributing \$2bn to Silver Lake's new 25-year investment strategy, Dow Jones reported, citing sources. Mubadala will take a stake of less than 5% in the company by buying about half of what Neuberger Berman Group's Dyal Capital Partners purchased in 2016, according to sources. It is unknown how much Mubadala is paying for the stake, what it values Silver Lake at or how much in total the firm intends to raise for the strategy. Silver Lake will deploy the capital for 25 years holding assets for longer than the typical 10-year buyout-fund time horizon. The Mubadala-backed strategy initially will co-invest alongside Silver Lake's flagship fund to build up a portfolio of investments but also will be able to do its own deals. (Bloomberg)
- **ADNOC Distribution to pay dividend of 10.285 fils per share for 1H2020** – The Board of Directors of ADNOC Distribution have approved by circulation, on Tuesday, September 29, 2020 the payment of an interim cash dividend of 10.285 fils per share (totaling approximately AED1.285bn for the first six months of 2020. The last day to participate is on Wednesday, October 7, 2020. The Ex-Dividend date is Thursday, October 8, 2020. The record date is Sunday, October 11, 2020. (ADX)
- **ADIB-Egypt sees changes in shareholding structure** – Abu Dhabi Islamic Bank- Egypt (ADIB) stated that Abu Dhabi-based company, Awsar exited the bank by selling its 0.58% stake, according to the bank's September 27 statement filed to the Egyptian Exchange. Awsar sold 1,142,585 shares at EGP10.80 per each, with a total amount of EGP12,342,866. The bank posted a consolidated net profit stood at EGP530.573mn in the first half of 2020, a 19% decline from EGP658.558mn achieved in 1H2019. Standalone net profit reached EGP509.582mn in 1H2020, a 15% decline from EGP601.213mn posted in 1H2019. ADIB, formerly National Bank for Development, is an Egypt-based public shareholding company engaged in the provision of retail, corporate and investment banking services through a network of 69 branches located across Egypt. (Zawya)
- **Boursa Kuwait will suspend its operations due to the death of its Emir** – Based on the announcement of a mourning period for the loss of His Highness Sheikh Sabah Al-Ahmad Al-Sabah, The Emir of the State of Kuwait, Boursa Kuwait will suspend its operations from Wednesday, September 30, 2020. The company will resume operations on Sunday, October 4, 2020. (Boursa Kuwait)
- **Kuwait sells KD240mn 182-day bills; bid-cover at 11.31x** – Kuwait sold KD240mn of 182-day bills due on March 30, 2021. Investors offered to buy 11.31 times the amount of securities sold. The bills have a yield of 1.375% and settled on September 29, 2020. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,898.07	0.9	2.0	25.1
Silver/Ounce	24.19	2.2	5.7	35.5
Crude Oil (Brent)/Barrel (FM Future)	41.03	(3.3)	(2.1)	(37.8)
Crude Oil (WTI)/Barrel (FM Future)	39.29	(3.2)	(2.4)	(35.7)
Natural Gas (Henry Hub)/MMBtu	1.70	(7.1)	(10.5)	(18.7)
LPG Propane (Arab Gulf)/Ton	50.25	(1.7)	(1.0)	21.8
LPG Butane (Arab Gulf)/Ton	55.00	(3.5)	0.0	(16.0)
Euro	1.17	0.7	1.0	4.7
Yen	105.66	0.2	0.1	(2.7)
GBP	1.29	0.2	0.9	(3.0)
CHF	1.09	0.6	1.0	5.3
AUD	0.71	0.8	1.4	1.6
USD Index	93.89	(0.4)	(0.8)	(2.6)
RUB	79.06	(0.0)	1.1	27.5
BRL	0.18	0.5	(1.2)	(28.6)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,359.63	(0.3)	1.4	0.0
DJ Industrial	27,452.66	(0.5)	1.0	(3.8)
S&P 500	3,335.47	(0.5)	1.1	3.2
NASDAQ 100	11,085.25	(0.3)	1.6	23.5
STOXX 600	361.49	0.2	2.7	(9.1)
DAX	12,825.82	0.4	3.9	1.4
FTSE 100	5,897.50	(0.5)	2.1	(24.2)
CAC 40	4,832.07	0.5	3.2	(15.5)
Nikkei	23,539.10	0.0	1.4	2.5
MSCI EM	1,068.79	(0.1)	0.9	(4.1)
SHANGHAI SE Composite	3,224.36	0.1	0.3	8.0
HANG SENG	23,275.53	(0.9)	0.2	(17.0)
BSE SENSEX	37,973.22	0.0	1.5	(11.1)
Bovespa	93,580.40	(1.0)	(5.0)	(42.4)
RTS	1,155.67	(1.0)	(0.8)	(25.4)

Source: Bloomberg (\*\$ adjusted returns)

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