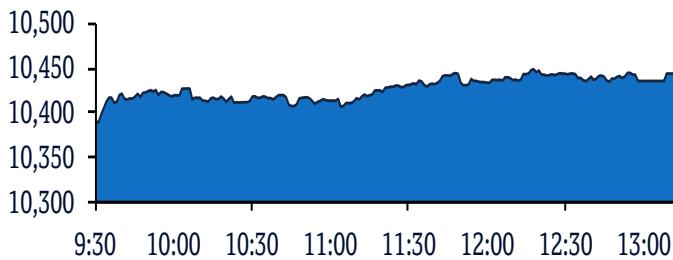


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 1.0% to close at 10,444.4. Gains were led by the Insurance and Real Estate indices, gaining 2.1% and 1.3%, respectively. Top gainers were Al Khaleej Takaful Insurance Company and Qatari German Company for Medical Devices, rising 8.0% and 5.7%, respectively. Among the top losers, Baladna fell 2.9%, while Qatar General Insurance & Reinsurance Company was down 2.1%.

GCC Commentary

Saudi Arabia: The TASI Index gained 2.7% to close at 8,345.8. Gains were led by the Food & Staples Retailing and Pharma, Biotech indices, rising 4.5% and 3.8%, respectively. Hail Cement Co. rose 10.0%, while Ash-Sharqiyah Dev. was up 9.8%.

Dubai: The DFM Index gained 1.3% to close at 2,749.3. The Services index rose 2.1%, while the Real Estate & Construction index gained 2.0%. Khaleeji Commercial Bank rose 11.3%, while Ektitab Holding Company was up 8.3%.

Abu Dhabi: The ADX General Index gained 1.1% to close at 5,075.7. The Real Estate index rose 2.7%, while the Banks index gained 1.3%. Abu Dhabi Ship Building Co. rose 12.0%, while Aldar Properties was up 2.9%.

Kuwait: The Kuwait All Share Index gained 1.8% to close at 6,230.2. The Oil & Gas index rose 3.1%, while the Basic Materials index gained 3.0%. Future Kid Entertainment rose 13.4%, while Noor Financial Investment Co. was up 12.4%.

Oman: The MSM 30 Index gained 0.8% to close at 3,977.2. Gains were led by the Industrial and Services indices, rising 1.5% and 1.3%, respectively. Al Madina Investment Company rose 8.7%, while Al Maha Ceramics Company was up 6.6%.

Bahrain: The BHB Index gained 0.8% to close at 1,597.3. The Hotels & Tourism index rose 3.6%, while the Commercial Banks index gained 1.2%. Gulf Hotel Group rose 5.0%, while Bahrain National Holding Company was up 2.4%.

Market Indicators	09 Jan 20	08 Jan 20	%Chg.
Value Traded (QR mn)	268.0	212.9	25.8
Exch. Market Cap. (QR mn)	581,419.7	575,820.9	1.0
Volume (mn)	87.0	67.9	28.2
Number of Transactions	5,896	4,460	32.2
Companies Traded	43	45	(4.4)
Market Breadth	35:6	9:31	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	19,218.51	1.0	(0.6)	0.2	15.2
All Share Index	3,101.20	1.0	(0.6)	0.1	15.6
Banks	4,264.59	1.2	0.1	1.0	14.9
Industrials	2,897.56	0.5	(1.1)	(1.2)	19.9
Transportation	2,514.65	0.5	(2.2)	(1.6)	13.5
Real Estate	1,555.64	1.3	(0.5)	(0.6)	11.7
Insurance	2,721.75	2.1	(1.0)	(0.5)	15.6
Telecoms	881.00	0.9	(2.9)	(1.6)	15.0
Consumer	8,516.10	1.0	(2.0)	(1.5)	18.9
Al Rayan Islamic Index	3,915.89	1.2	(1.2)	(0.9)	16.3

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Cement Co.	Saudi Arabia	67.60	5.5	625.2	(3.6)
Riyad Bank	Saudi Arabia	25.25	5.2	1,377.6	5.2
Saudi Ind. Inv. Group	Saudi Arabia	23.12	5.0	992.5	(3.7)
Rabigh Refining & Petro.	Saudi Arabia	21.54	5.0	1,755.1	(0.6)
Nat. Industrialization Co.	Saudi Arabia	13.28	4.9	3,416.3	(2.9)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ominvest	Oman	0.33	(1.8)	33.2	(2.9)
Jarir Marketing Co.	Saudi Arabia	166.80	(0.7)	138.5	0.7
Mesaieed Petro. Holding	Qatar	2.25	(0.4)	4,432.7	(10.4)

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%
Baladna	1.00	(2.9)	7,558.6	0.0
Qatar General Ins. & Reins. Co.	2.35	(2.1)	37.9	(4.5)
Vodafone Qatar	1.12	(0.9)	6,218.3	(3.4)
United Development Company	1.50	(0.7)	3,846.6	(1.3)
Widam Food Company	6.53	(0.5)	738.3	(3.4)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	20.69	0.8	58,551.7	0.5
Qatar Fuel Company	22.50	0.9	32,873.8	(1.7)
Masraf Al Rayan	4.09	2.3	22,921.0	3.3
Doha Bank	2.73	2.2	11,964.5	7.9
Qatar International Islamic Bank	9.33	2.2	11,430.4	(3.6)

Source: Bloomberg (* in QR)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Al Khaleej Takaful Insurance Co.	1.90	8.0	1,994.1	(5.0)
Qatari German Co for Med. Devices	0.54	5.7	1,525.9	(7.4)
Islamic Holding Group	1.89	5.0	274.7	(0.5)
Qatar Aluminium Manufact. Co.	0.78	4.3	2,653.6	(0.5)
Qatar First Bank	0.73	4.0	5,550.3	(11.0)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.60	3.1	10,547.5	(2.8)
Baladna	1.00	(2.9)	7,558.6	0.0
Vodafone Qatar	1.12	(0.9)	6,218.3	(3.4)
Masraf Al Rayan	4.09	2.3	5,624.2	3.3
Qatar First Bank	0.73	4.0	5,550.3	(11.0)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,444.36	1.0	(0.6)	0.2	0.2	452.32	159,716.0	15.2	1.5	4.1
Dubai	2,749.26	1.3	(0.7)	(0.6)	(0.6)	59.72	101,741.1	10.9	1.0	4.3
Abu Dhabi	5,075.69	1.1	(0.5)	(0.0)	(0.0)	47.14	141,946.9	15.5	1.4	4.9
Saudi Arabia	8,345.77	2.7	(0.6)	(0.5)	(0.5)	1,226.67	2,388,530.6	22.4	1.9	3.2
Kuwait	6,230.23	1.8	(0.8)	(0.8)	(0.8)	227.84	116,706.7	15.3	1.5	3.4
Oman	3,977.16	0.8	(0.7)	(0.1)	(0.1)	4.56	17,126.9	7.5	0.7	7.5
Bahrain	1,597.33	0.8	(0.9)	(0.8)	(0.8)	4.30	24,993.7	12.7	1.0	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 1.0% to close at 10,444.4. The Insurance and Real Estate indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Al Khaleej Takaful Insurance Company and Qatari German Company for Medical Devices were the top gainers, rising 8.0% and 5.7%, respectively. Among the top losers, Baladna fell 2.9%, while Qatar General Insurance & Reinsurance Company was down 2.1%.
- Volume of shares traded on Thursday rose by 28.2% to 87mn from 67.9mn on Wednesday. Further, as compared to the 30-day moving average of 76.2mn, volume for the day was 14.2% higher. Ezdan Holding Group and Baladna were the most active stocks, contributing 12.1% and 8.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	25.74%	37.15%	(30,597,923.44)
Qatari Institutions	14.07%	35.58%	(57,643,922.97)
Qatari	39.81%	72.73%	(88,241,846.40)
GCC Individuals	0.71%	0.53%	494,031.90
GCC Institutions	2.08%	2.87%	(2,139,498.43)
GCC	2.79%	3.40%	(1,645,466.53)
Non-Qatari Individuals	12.06%	11.61%	1,214,523.73
Non-Qatari Institutions	45.35%	12.26%	88,672,789.21
Non-Qatari	57.41%	23.87%	89,887,312.94

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
01/09	US	Department of Labor	Initial Jobless Claims	4-Jan	214k	220k	223k
01/09	US	Department of Labor	Continuing Claims	28-Dec	1,803k	1,720k	1,728k
01/10	US	Bureau of Labor Statistics	Unemployment Rate	Dec	3.5%	3.5%	3.5%
01/10	US	Bureau of Labor Statistics	Labor Force Participation Rate	Dec	63.2%	-	63.2%
01/09	EU	Eurostat	Unemployment Rate	Nov	7.5%	7.5%	7.5%
01/09	Germany	Deutsche Bundesbank	Industrial Production SA MoM	Nov	1.1%	0.8%	-1.0%
01/09	Germany	Bundesministerium fur Wirtscha	Industrial Production WDA YoY	Nov	-2.6%	-3.7%	-4.6%
01/10	France	Banque De France	Bank of France Ind. Sentiment	Dec	97	97	97
01/10	France	INSEE National Statistics Office	Industrial Production MoM	Nov	0.3%	0.1%	0.5%
01/10	France	INSEE National Statistics Office	Industrial Production YoY	Nov	1.3%	0.4%	-0.1%
01/10	France	INSEE National Statistics Office	Manufacturing Production MoM	Nov	-0.1%	-	0.6%
01/10	France	INSEE National Statistics Office	Manufacturing Production YoY	Nov	1.2%	0.4%	0.2%
01/10	Japan	Economic and Social Research I	Leading Index CI	Nov	90.9	90.9	91.6
01/10	Japan	Economic and Social Research I	Coincident Index	Nov	95.1	95.2	95.3
01/09	China	National Bureau of Statistics	PPI YoY	Dec	-0.5%	-0.4%	-1.4%
01/09	China	National Bureau of Statistics	CPI YoY	Dec	4.5%	4.7%	4.5%
01/10	China	The People's Bank of China	Money Supply M1 YoY	Dec	-	3.7%	3.5%
01/10	China	The People's Bank of China	Money Supply M2 YoY	Dec	-	8.3%	8.2%
01/10	India	India Central Statistical Organisation	Industrial Production YoY	Nov	1.8%	0.3%	-4.0%

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
QNBK	QNB Group	14-Jan-20	2	Due
GWCS	Gulf Warehousing Company	14-Jan-20	2	Due
QIBK	Qatar Islamic Bank	15-Jan-20	3	Due
ABQK	Ahli Bank	16-Jan-20	4	Due
MARK	Masraf Al Rayan	20-Jan-20	8	Due
KCBK	Al Khalij Commercial Bank	20-Jan-20	8	Due
MRDS	Mazaya Qatar Real Estate Development	22-Jan-20	10	Due
DHBK	Doha Bank	26-Jan-20	14	Due
QIIK	Qatar International Islamic Bank	28-Jan-20	16	Due
CBQK	The Commercial Bank	29-Jan-20	17	Due
IHGS	Islamic Holding Group	29-Jan-20	17	Due
NLCS	Aljarah Holding	30-Jan-20	18	Due

Source: QSE

Qatar

- **MRDS opens the door for candidacy to the board of directors** – Mazaya Qatar Real Estate Development (MRDS) announced the opening of the candidacy for the membership of the board of directors for the next three years i.e. 2020-2022 and that's starting from January 12, 2020 until January 26, 2020. (QSE)
- **MERS to offer more national products in 2020** – 'Made in Qatar' products would be more visible in store shelves as Al Meera Consumer Goods Company (MERS) is seeking to offer a diverse variety of locally-produced goods and food items to its customers this year, an official has said. This would involve more future partnerships with Qatar-based food and non-food manufacturers, as well as with local farms across the country in order to provide affordable and high-quality grocery items, according to MERS' Human Resources Manager, Mohamed Jassim Al-Sultan. "Al Meera is surely working on it, but we are doing that step by step. We need to diversify our partnerships with suppliers both domestic and international," Al Sultan said on the sidelines of the recent opening of its 53rd branch in Rawdat Al Hamama. Aside from diversifying its local product offerings, Al-Sultan said MERS is also on track in terms of increasing its selling area and expansion plans this year, which includes a mall branch. "We are everywhere; the newly-opened branch in Al Hamama is Al Meera's 53rd store in the country, and there is a plan to open more, including a mall branch that is opening soon. This is our strategy – to be close to the people, so wherever there are new communities or lands being occupied you will find an Al Meera." During the launching event, MERS' IT Director, Mohamed Al-Bader underscored the importance of the initiative, saying it is the first step to transform small and medium-sized enterprises (SMEs) into full-fledged companies in the future. (Gulf-Times.com)
- **QIHK to hold its AGM on March 9** – Qatar International Islamic Bank's (QIHK) board of directors invites its shareholders for the Annual General Assembly (AGM) for the year 2019 to be held on March 9, 2020. In the absence of the legal quorum, the second meeting will be held on March 23, 2020. The agenda, timing and the venue of the AGM will be announced once approved by the regulatory authorities. (QSE)
- **AKHI to hold its AGM and EGM on April 5** – Al Khaleej Takaful Insurance Company (AKHI) announced that the Annual Ordinary Assembly Meeting (AGM) and Extraordinary Assembly Meeting (EGM) will be held on April 5, 2020. In case the quorum is not met, an alternate meeting will be held on April 12, 2020. The company will inform about the conference venue at a later date. (QSE)
- **QC Chairman: E-portal facilitates easy setting up of new companies in Qatar** – Qatar Chamber's (QC) Chairman, Sheikh Khalifa bin Jassim Al Thani alluded to the electronic system of new companies' setup service through the single window e-portal, noting that it helps save time and effort for businesses and investors willing to establish new firms in Qatar. He said this in a statement during the announcement of the digital transformation of the new companies' setup service through the

e-portal of the single window facility at the Ministry of Commerce and Industry Thursday. Sheikh Khalifa noted that the system confirmed Qatar's advancement in ease of doing business globally. Qatar was chosen as one of the top 20 countries out of 190 in the world in terms of their improvement in 'Ease of Doing Business 2020' by the World Bank due the State's efforts and achievements in this area. He said the single window system consolidated Qatar's position as an ideal destination for investment in the region and globally and enhanced its efforts to attract more local and foreign investments. (Gulf-Times.com)

- **Ezdan: New 'smart cities' seen contributing heavily to Qatar's realty development; property transactions stood around QR467mn in between December 29 and January 2** – The emergence of new smart cities in Qatar as part of urban development is contributing heavily to the advancement of real estate to record levels even on a global scale, a new report has showed. The new urban communities such as Msheireb Downtown Doha, Lusail City and The Pearl-Qatar are witnessing a powerfully built infrastructure, in addition to the substructure technologies that equip the smart cities with competitive qualities, Ezdan Real Estate (Ezdan) noted. Smart city models are becoming a tangible reality in Qatar, it said. On real estate activities in Qatar between December 29 and January 2, the report cited data from the Ministry of Justice's Real Estate Registration Department and said some 51 property sale transactions were concluded at an approximate value of QR467mn. These were distributed across seven municipalities in Qatar: Umm Salal, Al Khor, Al Thakhira, Doha, Al Rayyan, Al Shamal, Al Daayen and Al Wakrah. Doha topped in terms of deal value through the sale of a residential premise in Al Messila spreading over 19,225 square meters at a price of QR882 per square feet, totaling QR182.5mn. Doha Municipality also ranked second in terms of value through the sale of a mixed-use land plot spreading in excess of 12,541 square meters in Lusail, worth QR87.7mn, at QR650 per square feet. (Gulf-Times.com)
- **Qatar's residential market expands beyond familiar neighborhood on better connectivity, infrastructure** – Better connectivity and infrastructure have helped Qatar's residential market expand beyond familiar neighborhood, according to Al Asmakh Research and Valuation. "The residential market expands beyond familiar neighborhood due to supplies in new localities, courtesy to connectivity and infrastructure," it said in its latest report. Home seekers with budget constraints can explore these locations such as Umm Slal Mohamed, Simaisma and Rawdat Al Hamam for villa development where 3BR and 4BR villas are in the range QR7,000 to QR10,000, it said in a report. The supply in these localities has added pressure on the affluent neighborhoods to sustain rentals. As a result perks and incentives of freely monthly rentals on annual contracts is widely practiced, it said, adding the residential market across the country was seen stabilizing during the fourth quarter of 2019 compared to the previous quarters. "A steady increase in population partially supports the demand for housing," it said, adding supply will continue for another two quarters due to the

projects which are currently under construction. In 2019, the overall available residential units were 360,000 with villa occupancy at 70% and apartment occupancy at 60% and the current annual yield is 5%. During the fourth quarter of 2019, residential supply in pipeline was 90,000 units with expected delivery in 2020. The report said within the Pearl, the average rental rate was QR11,500 per month and sale price was QR11,500 per square meter; in West Bay it was QR10,500 and QR8,500 respectively; Lusail QR7,500 and QR11,000; C and D Ring Road QR5,500 and QR12,500. (Gulf-Times.com)

- **New incentives for investors under study** – The Ministry of Commerce and Industry is currently studying lifting the fees required to register companies, in addition to lowering tariffs and port fees to provide more incentives to the private sector and improve Qatar's position in international rankings. Speaking at a ceremony announcing the digital transformation of the process of registering new companies, HE Ali bin Ahmed Al Kuwari, the Minister of Commerce and Industry, said the new incentives come following the directives of the wise leadership to improve the business environment in Qatar and enhance its reputation as an ideal investment destination in the region and the world. He noted that the digital transformation of the ministry's services helps the process of establishing new companies, which will no longer involve paperwork starting the middle of this month. HE Al-Kuwari said launching Phase 1 of the one-stop-shop in September last year aimed at connecting all designated institutions and authorities, in order to facilitate the process for investors, which would ultimately attract more investments. (Gulf-Times.com)
- **QNTC: High-profile events to drive hotel occupancy higher** – High-profile events like Shop Qatar, Doha International Book Fair and the ATP Qatar Open tennis tournament will drive hotel occupancy higher in the beginning of 2020, a senior Qatar National Tourism Council (QNTC) official has said. "Hotels in Qatar are expected to witness higher occupancy levels right from the beginning of 2020 as all the events happening in January and February are big crowd pullers from across the world," QNTC's Chief Marketing and Promotion Officer, Rashed Saeed Al Quresse said. According to QNTC, the occupancy rate across all hotels and hotel apartments was 64% in the first nine months of 2019, representing an 8% increase over the same period in the previous year. The biggest increase in occupancy of 25% was seen in one and two-star hotels, followed by 13% increase in three-star hotels and 4-star hotels. Standard hotel apartments witnessed an increase of 11%. Quresse said the hotel occupancy will be higher in 2020 as the number of tourists visiting Qatar is expected to witness substantial increase this year. "We are on an upward trajectory. We witnessed almost 17% increase in arrival of tourists in 2019. This led to a significant increase in demand for hotel rooms in the country. Hotels and resorts did brisk business as their occupancy rate rose significantly in 2019 compared to last year. This trend is expected to continue and gain momentum in 2020 as well," he said. (Qatar Tribune)
- **Kahramaa: Unprecedented performance indicators for electricity network in 2019** – Qatar General Electricity and Water Corporation (Kahramaa) has announced that the technical performance of the country's electrical network witnessed, during the year 2019, a significant improvement and recorded

unprecedented levels in the electricity distribution networks in the State of Qatar. The indicator of the number of minutes of electricity loss in the electrical transmission network recorded 0.1785 minutes, which is an unprecedented record, and the best rate achieved since the start of recording this indicator, where the target in 2019 according to global indicators was 3 minutes. Meanwhile, the distribution network indicators showed outstanding performance, where the average indicator of power cuts from the subscriber in the distribution network recorded 0.1894 times per subscriber, while the target rate in 2019 according to global indicators was 0.364 times per subscriber. The performance indicator of the average periods of interruption in the electrical distribution network also witnessed a noticeable improvement in 2019, as it recorded an average of 15.665 minutes per subscriber, while the target according to global indicators was 45.5 minutes. (Peninsula Qatar)

International

- **Rystad Energy: Global oil and gas discoveries reach four-year high in 2019** – Global oil and gas discoveries in 2019 of 12.2bn barrels of oil equivalent (boe) represents the highest volumes since 2015, according to Rystad Energy's data. Headquartered in Norway, Rystad Energy is an independent energy research and business intelligence company providing data, tools, analytics and consultancy services to the global energy industry. Ongoing investments of US-based company ExxonMobil in Guyana with additional four new discoveries boosted last year's numbers, Rystad said in a statement. According to the estimations, the discoveries in Guyana hold cumulative recoverable resources of around 1.8bn boe. The company discovered around 1.07bn boe in additional net resources last year, with an estimated value of around \$2.7bn, the data showed. (Peninsula Qatar)
- **US employment growth slows; labor market tightening** – The US job growth slowed in December after surging in the prior month, but the pace of hiring is enough to keep the longest economic expansion in history on track despite a deepening downturn in a manufacturing sector stung by trade disputes. The Labor Department's closely watched monthly employment report on Friday also showed the jobless rate holding near a 50-year low of 3.5%. A broader measure of unemployment dropped to a record low last month, but wage gains ebbed. The mixed report will probably not change the Federal Reserve's assessment that both the economy and monetary policy are in a good place. Roughly 100,000 jobs per month are needed to keep up with growth in the working-age population. The economy added 14,000 fewer jobs in October and November than previously reported. The final employment report of the decade showed the economy created 2.1mn jobs in 2019, the least since 2011 and down from 2.7mn in 2018. (Reuters)
- **US, China agree to semi-annual talks aimed at reforms, resolving disputes** – The US and China have agreed to restart semi-annual talks aimed at resolving economic disputes between the two countries, a process abandoned at the start of the Trump administration as a trade conflict between the countries escalated. An official familiar with the deliberations said the resumption of the US China Comprehensive Economic Dialogue will be announced on January 15 as part of the signing of a Phase 1 trade deal between the US and China. The regular meetings will provide a forum for steady, high-level conversation between the

world's two largest economies separate from the sometimes rocky negotiations over their trade relationship. (Reuters)

- **Trump's tariffs cost US companies \$46bn to date, data shows** – Tariffs imposed by President Donald Trump to restructure the US top trade relationships have cost American companies \$46bn since February 2018, and US exports of goods hit by retaliatory tariffs have fallen sharply, according to an analysis of Commerce Department data. The lion's share of the higher tariff costs, some \$37.3bn, stemmed from duties on imports from China, said Washington-based consultancy Trade Partnership Worldwide, which calculated cumulative tariff costs through November 2019, the latest data available. Exports of US goods hit by retaliatory tariffs from China and other countries fell by 23% in the 12 months ended November, compared with 2017, before the tariffs began, the analysis showed. Even when retaliatory tariffs have ended, those exports haven't bounced back, said Trade Partnership Vice President Dan Anthony. Seasonally adjusted US Commerce data released on Tuesday showed the overall US trade deficit narrowed to a more than three-year low in November. (Reuters)
- **QNB Group: Fed's ongoing 'balance sheet expansion' to benefit US, global growth** – The US Federal Reserve will continue to expand its balance sheet well into the first half of this year, which should further support the upcoming re-acceleration of US and global growth, QNB Group has said in an economic commentary. "The Fed had a busy year in 2019. After a long and gradual process of monetary policy tightening in 2015-2018, the Fed undertook a major policy reversal with the so-called 'dovish pivot' of 2019," QNB Group said. The most discussed element of such a turn was the sudden change in the direction of policy rate action. While forward guidance in late 2018 pointed to two policy rate hikes in 2019, the Fed delivered three 25 basis points policy rate cuts for the year. But policy change did not concentrate only on policy rate action, QNB Group noted. The Fed has also dramatically changed its stance on quantitative measures, from quantitative tightening (QT) and balance sheet "normalization" to continuous rounds of significant balance sheet expansion. QNB Group analysis delves into the balance sheet side of recent Fed policy changes, highlighting their importance for liquidity provision. (Gulf-Times.com)
- **BRC: UK shoppers rein in spending to cap grim 2019 for retailers** – British shoppers cut back on spending in late 2019, rounding off the worst year since at least the mid-1990s for retail sales as measured by an industry group which blamed uncertainty about Brexit and last month's election for the slump. However, another survey suggested Britons turned more confident after Prime Minister Boris Johnson's emphatic election victory on December 12. Total retail spending fell by an annual 0.9% in November and December combined, the British Retail Consortium (BRC) said, lumping the two months together to smooth out volatility caused by changes in the dates of Black Friday between 2018 and 2019. BRC's Chief Executive, Helen Dickinson said last year was the first since the group began its records in 1995 to show a full-year fall in sales - down by 0.1% - as two missed Brexit deadlines and the election weighed on consumer confidence. (Reuters)
- **UK Jobs survey sees mild recovery in hiring activity during December** – The latest KPMG and REC survey data, compiled by IHS Markit, showed a renewed upturn in overall UK recruitment

activity at the end of 2019. Permanent placements rose for the first time in a year amid reports of some clients giving the green light to hiring plans after the decisive general election result. Billings received from the employment of temp staff meanwhile expanded at a quicker, albeit still mild, pace. Although the election outcome helped to restore some business confidence, uncertainty around Brexit has not completely subsided and economic growth softened over the course of 2019. Consequently, demand for staff continued to rise at a historically muted pace, while many people remained reluctant to seek new roles. The subdued labor market picture painted by the Jobs report also coincides with the trends observed in the UK PMI survey releases, which signaled declines in both output and employment when looking at the final quarter of 2019 as a whole. (Markit)

- **UK employers hire more permanent staff for first time in a year** – British employers last month increased their number of new permanent staff for the first time in a year, reflecting a modest rise in optimism after December's election, a survey of recruiters showed on Friday. REC's permanent staff placement index rose to 51.9 in December from 48.8 in November, its highest since December 2018 and above the 50-mark that divides growth from contraction for the first time since February. A separate survey of purchasing managers by financial data company IHS Markit, published on Monday, showed increased optimism from firms polled after the election compared with those who replied just before. However, the REC said some of the pick-up in demand for permanent staff could reflect tax changes that make it harder for employers to avoid social security payments by classifying workers as self-employed contractors. (Reuters)
- **Japan's household spending falls again in November, gloom may persist** – Japanese household spending fell for a second straight month in November and by more than forecast, suggesting that a higher sales tax may weigh on private consumption for some time. Household spending fell 2.0% in November from a year earlier, government data showed on Friday, worse than a median forecast for a 1.7% decline. It tumbled 5.1% in October, the biggest fall since March 2016 when spending slid 5.3%. From the previous month, spending rose 2.6% compared with the median estimate for a 3.4% gain and was a rebound from the steep 11.5% monthly drop in October. The index of coincident economic indicators, which consists of a range of data including factory output, employment and retail sales data, slipped a preliminary 0.2 point to 95.1 in November from the previous month, the lowest reading since February 2013, the Cabinet Office said. (Reuters)

Regional

- **World Bank: Infrastructure to drive GCC growth in 2020** – The World Bank, in its latest global economy report, said infrastructure investment and business climate reforms are seen advancing economic growth among the Gulf Cooperation Council (GCC) economies to 2.2% in 2020. Meanwhile, economic growth in the MENA region is projected to accelerate to a modest 2.4% in 2020, largely on higher investment and stronger business climates, according to the January 2020 Global Economic Prospects report. Among oil exporters, growth is expected to pick up to 2%. Iran's economy is expected to stabilize after a contractionary year as the impact of US sanctions tapers

and oil production and exports stabilize, while Algeria's growth is anticipated to rise to 1.9% as policy uncertainty abates and investment picks up. (Zawya)

- **Moody's: GCC sovereigns' 2020 outlook is negative** – Moody's Investors service said in a report that the outlook for sovereign creditworthiness in the Gulf Cooperation Council (GCC) in 2020 is negative. The negative outlook reflects slow progress on fiscal reforms at a time of moderate oil prices, weak growth and higher geopolitical risk, the ratings agency said. The ratings agency expects a further gradual erosion in GCC credit metrics as oil prices remain moderate over the medium-term. It also pointed that lower oil revenue available to fund government spending will constrain growth in the non-oil sector which will in turn discourage governments from undertaking more fiscal tightening. (Zawya)
- **IEA sees oil oversupply, weak demand keeping prices muted** – According to International Energy Agency's (IEA) Director Fatih Birol, oil prices are not likely to rise significantly – despite recent volatility – due to weakening demand and the prospect of more crude coming on the market. Oil prices have experienced a wild ride since the start of the year amid clashes between the US and Iran and recent unrest in Iraq. According to Birol, the gains associated with recent events like tensions in the Middle East and an economic crisis in Venezuela have not been sustained because of a global oversupply. More oil from non-OPEC countries like Brazil, Norway and Canada is on the way, he said. According to Birol, an increase in demand in China is likely to be hampered due to slowing economic growth there. (Bloomberg)
- **UAE energy minister says all OPEC+ members committed to stable oil market** – The UAE energy minister said all members of OPEC+ were committed to a stable oil market. "All countries in OPEC+ are committed, not to raise prices...but to deliver balance and ensure the world is well-supplied," Suhail al-Mazrouei said at an energy event in the UAE capital Abu Dhabi. He said that Russia was fully committed to the OPEC+ agreement adding that he hoped to continue cooperation with the country in the future. (Zawya)
- **IATA: Mideast airlines post 'strong performance' in November** – Driven by robust demand from Asian and European markets, Middle Eastern airlines posted a strong performance of 7.4% traffic increase in November 2019, up from a 5.6% rise in October last year, the International Air Transport Association (IATA) has said in a report. Capacity was flat, and load factor soared 5 percentage points to 73.2%. The strong performance was driven by robust demand on to/from Asia and Europe markets, IATA said. November international passenger demand rose 3.1%, compared to November 2018, which was a marginal increase from the 3% YoY growth achieved in October. All regions recorded traffic increases, except for Latin America, IATA noted. Capacity climbed 0.7%, and load factor increased 1.8 percentage points to 80.1%. Asia-Pacific airlines saw November traffic increase 3.9% compared to the 2018 period, a slight decline compared to the 4.2% annual growth recorded in October. Capacity rose 2.8% and load factor rose 0.8 percentage point to 79.9%. (Gulf-Times.com)
- **Saudi Arabia launches third round of National Renewable Energy Program** – Saudi Arabia has launched the third round of its national program to build up solar power generation capacity

in the Kingdom. The Renewable Energy Project Development Office (REPDO) of the Ministry of Energy has issued the request for qualifications (RFQ) for Round Three of the Kingdom's National Renewable Energy Program (NREP), the official Saudi Press Agency (SPA) said. The new phase comprises of four solar photovoltaic (PV) projects with a combined generation capacity of 1,200 megawatts (MW). The RFQ window for round three closes on February 6, 2020. The statement said the third round would be divided into two categories - Category A targets smaller companies, and includes the 80 MW Layla and the 120 MW Wadi Al Dawaser solar PV projects while Category B includes the 300 MW Saad and 700 MW Ar Rass solar PV projects. (Zawya)

- **Saudi Arabia's Bahri expands its footprint in India** – Bahri is expanding its market footprint extending its liner-shipping network to South India with MV Bahri Jeddah's maiden calls at two of India's leading ports, Ennore and Chennai. MV Bahri Jeddah, owned and operated by Bahri Logistics, one of Bahri's five business units, will call regularly at Ennore and on an inducement basis at Chennai, offering direct call from South India to US East Coast, according to a company statement. The business unit operates six multipurpose vessels on a regular liner schedule, all uniquely designed to carry project, breakbulk, container and IMO cargoes as well as heavy lifts, special purpose vehicles, and mining equipment in a single voyage. (Zawya)
- **Saudi Arabia's ACWA Power signs deal for new wind energy project** – Saudi Arabian utility developer ACWA Power has signed an agreement with the government of Azerbaijan to develop a 240 megawatt (MW) wind power project, one of the country's first two Independent Power Projects (IPP). The project would be developed on Build Own Operate (BOO) basis, and is backed by a 20-year power purchase agreement (PPA), according to an ACWA Power statement. The statement said the project is in line with the Azerbaijan government's efforts to wean the country off its dependence on oil and gas and to diversify its energy mix. (Zawya)
- **Saudi Arabia's ACWA Power plans \$10bn of investments in 2020** – Saudi Arabian utility developer ACWA Power is planning to invest around \$10bn in 2020 as it eyes new projects in some 10 countries, the company's Chief Executive said. The company, which builds power and desalinated water plants and has 50% of its portfolio in Saudi Arabia, plans to expand into new markets, Paddy Padmanthan said. ACWA Power has assets in 12 countries and has bid for renewable energy projects in five new countries – Ethiopia, Tunisia, Cambodia, Azerbaijan and Uzbekistan. Padmanthan said ACWA was also developing several new renewable energy projects in Indonesia, which he expects to be worth around \$500mn, and aimed to expand its portfolio to Jordan and Morocco, as well as boost its operations in Saudi Arabia and the UAE. Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), holds a 25% stake in ACWA and is planning to increase that to 40%. (Reuters)
- **World Bank: Saudi economy to grow 1.9% in 2020** – According to the World Bank Global Outlook report, the GDP of Saudi Arabia is forecasted to achieve a growth rate of 1.9% during 2020, compared with 0.4% in 2019. The bank expects Saudi growth to strengthen during 2021 and 2022 to 2.2% and 2.4%, respectively. This shows a downgrade compared with previous expectations

of a 3.1% growth in 2020 and 2.3% in 2021. The report noted that eight countries will lead the improved growth in emerging economies, namely Saudi Arabia, Argentina, Brazil, India, Iran, Mexico, Russia, and Turkey. On a global scale, the world's GDP is forecasted to achieve a 2.5% growth during 2020, the report noted. (Zawya)

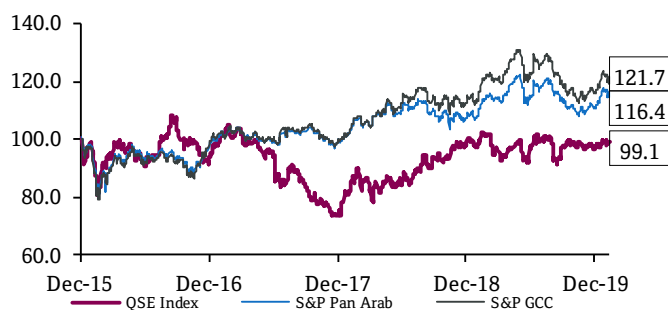
- **UAE expected to see surge in downstream gas investments** – Investment across the Middle East and North African gas sector is projected to decline by \$70bn over the next five years on the back of high global gas output, slowing regional demand and financing issues, according to a forecast by Petroleum Investments Corporation (Apicorp). While two-thirds of Mena countries will see lower planned investments in their upstream gas sectors, the UAE and Qatar are expected to see an increase in their downstream gas investments, said "Gas Investments Outlook 2019-2023" released by Apicorp. Overall, the decline in MENA committed gas sector investments were most notable in Kuwait (around 80%), Saudi Arabia (60%) and Algeria and Iran at around 50%. However, petrochemicals investments for 2019-2023 will jump by 50% from previous 2018-2022 outlook, the report shows. According to a recent research, oil, gas and petrochemical projects valued at more than \$859bn are either underway or planned in the MENA region. Of these, \$283bn projects are being implemented as the region gets ready to meet the forecast increases in demand for energy over the next two decades. (Zawya)
- **UAE investing to ensure energy resources well secured** – The UAE energy minister said it was investing heavily to secure its energy resources. "We are in a very good position to secure ourselves and keep securing our customers (needs)," Energy Minister Suhail al-Mazrouei told an energy conference in the capital Abu Dhabi. "We are committed that (our partners) have ample supply of hydrocarbons and we are investing heavily to ensure that energy security for... our partners are well secured," he added. He said investments by foreign companies in the UAE energy sector reflected their confidence in the country's security. The Chief Executive of Abu Dhabi National Oil Co (ADNOC) said earlier the state oil company was on schedule to increase its oil production capacity. (Reuters)
- **Gulf Capital to buy Middle East Clinics in \$100mn deal** – Gulf Capital is poised to buy three fertility clinics in the Middle East from IVIRMA Global in a deal worth about \$100mn, underscoring growing interest in the region's health-care sector. The transaction will include about 100 of IVIRMA's employees at the facilities in Abu Dhabi, Dubai and Muscat, the fertility company said in an emailed statement. The deal will be completed within "the next few days, although the final transition of some staff members will take place gradually throughout this year." A spokeswoman for Abu Dhabi-based Gulf Capital said an announcement will be made next week. (Bloomberg)
- **Emaar launches Burj Crown new tower in the Opera District, Downtown Dubai** – Emaar Properties launched Burj Crown, a new, 44-storey luxury residential tower located on the vibrant Sheikh Mohammed bin Rashid Boulevard with direct views of Dubai Opera and Burj Khalifa. Designed by leading Hong-Kong based architecture firm LWK Partners, the 440-unit tower offers one, two and three-bedroom apartments, all with priceless views of Dubai's most famous landmarks. (Zawya)

- **DAFZA contributes 12% of Dubai's foreign trade in first nine months of 2019** – Dubai Airport Freezone Authority (DAFZA) contributed 12% of Dubai's AED1.02tn foreign trade in the first nine months of 2019, it said. DAFZA's total value of foreign trade reached AED120bn during the period, charting a 11.2% growth. Its re-exports grew 11.8% to AED68bn and accounted for 21.7% of Dubai's re-exports. DAFZA's operations during the first nine months of 2019 helped achieve a large trade surplus of AED16.2bn, the statement said. (Zawya)
- **Dubai's Amanat said to weigh acquiring VPS Healthcare stake** – According to sources, Amanat Holdings, the Dubai-based investment firm, is considering acquiring a stake in Middle Eastern hospital operator VPS Healthcare LLC. The companies have held early discussions about a possible deal. Amanat, which owns companies in the health-care and education industries, is working with a financial adviser to explore the potential investment, according to the people. The talks come at a challenging time for Middle Eastern hospital operators. NMC Health Plc, a larger London-listed rival, has been facing allegations by Carson Block's Muddy Waters Capital LLC that the company's financial statements hint at potential overpayment for assets, inflated cash balances and understated debt. NMC has called those claims unfounded and vowed to conduct an independent review. (Bloomberg)
- **First Abu Dhabi Bank to auction Al Jaber's Dubai Shangri-La hotel** – According to sources, First Abu Dhabi Bank has started an auction process for a Dubai hotel operated by Shangri-La and owned by indebted construction group Al Jaber with a starting price of AED700mn. Al Jaber, best known as a contractor but with interests across a range of sectors, has struggled since a construction downturn in the UAE after the global financial crisis. The auction by First Abu Dhabi Bank, which is the main lender for the Shangri-La hotel, marks a first step by creditors to recover funds after delays to a restructuring agreement for AED5.9bn of debt last year. Other creditors will receive distributions from the sale after FAB receives its dues, the sources said. (Zawya)
- **Mubadala has no plans to sell Nova Chemicals** – Mubadala Petroleum & Petrochemical's (Mubadala) CEO, Musabbeh Al Kaabi said that Abu Dhabi has no plans for now to sell Nova Chemicals Corp., a Canadian plastics maker. Commodity prices are too low to consider selling Nova Chemicals this year, Al Kaabi said. This year, Mubadala will focus on implementing planned projects, he added. Mubadala sees modest growth in oil and gas demand and healthy and sustainable growth in petrochemicals in 2020, Al Kaabi said. The company plans to invest further in petrochemicals to support the ability to supply demand, he said. Abu Dhabi is said to weigh options for \$10bn Nova Business. (Bloomberg)
- **Masdar to develop A\$700mn waste-to-energy plant in Australia** – Abu Dhabi Future Energy Company's (Masdar) CEO, Mohamed Al Ramahi said that the company is developing a A\$700mn waste-to-energy plant in western Australia. Masdar, owned by Mubadala Investment Co., the investment company of the Abu Dhabi government, and its partners seek to expand waste-to-energy projects in south-east Asia, he said. The construction of the plant in Australia has already started and the project will generate 30 megawatts of power from 300,000 tons of municipal

waste, he said. He further added that Masdar reached financial close on the debt-financing portion of the project in Australia on December 23. Partners raised A\$500mn in debt and the remaining 30% of the total is in equity, he said. (Bloomberg)

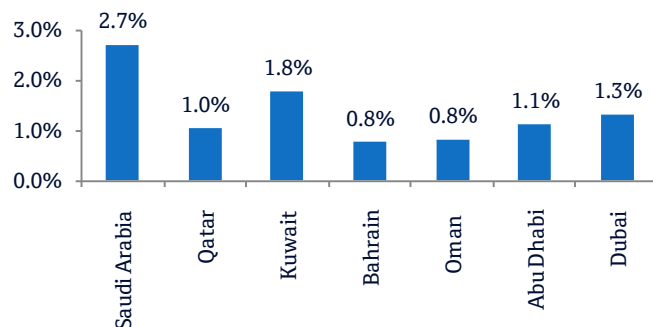
- **Kuwait sees oil output in zone shared with Saudi at 250,000 bpd by end 2020** – Kuwaiti oil output in the Neutral Zone (NZ) it shares with Saudi Arabia is expected to reach 250,000 bpd when production restarts at the end of this year, the country's oil minister said. Kuwait and Saudi Arabia, both members of OPEC, agreed last year to end a five-year dispute over the area, allowing production to resume at two jointly-run oilfields that can pump up to 0.5% of the world's oil supply. (Zawya)
- **Bahrain liquidity fund deadline for large firms, SMEs** – The deadline for applying for support under BHD100mn liquidity fund is January 16 for large companies and March 19 for small and medium enterprises (SMEs). This was highlighted during a seminar by the Bahrain Chamber of Commerce and Industry (BCCI) at Beit Al Tijjar, organized to share details about the fund, the eligibility criteria, and the application process. The fund was launched under the directives of His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince, Deputy Supreme Commander and First Deputy Prime Minister, in a bid to reinvigorate businesses and revitalize the national economy. (Zawya)
- **Bahrain AAOIFI issues three new governance standards** – Bahrain-based Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has issued three final governance standards for industry adoption. The standards issued by the organization's Governance and Ethics Board (AGEB) are AAOIFI Governance Standard (GS) 10, Shari'ah Compliance and Fiduciary Ratings for Islamic Financial Institutions, GS 11 Internal Shari'ah Audit for Islamic Financial Institutions, and GS 12 Sukuk Governance. In 2018, the projects were initiated and completed the various phases of standards development process which starts from preparing the preliminary study and consultation notes to issuing the exposure draft for industry feedback. The standards were discussed substantively in several public hearings. AGEB deliberated on the comments received during the public hearings, and in writing. Accordingly, the board directed the secretariat to finalize and issue the standards. (Zawya)
- **Bahrain, Kuwait experts review new zakat opportunities** – Bahrain is leading the way in tackling challenges facing zakat cases, according to a senior Minister. With more than 400 financial institutions in the country, it was important to raise awareness about alms-giving and explain its purpose, Justice, Islamic Affairs and Endowments Minister Shaikh Khalid bin Ali Al Khalifa said. "The symposium aims to encourage scientific and Shari'ah research, contribute to preparing a new generation of specialized researchers, enrich the Islamic library with more books and researches on zakat issues and extend bridges of cooperation with financial institutions and zakat funds," he said. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,562.34	0.6	0.7	3.0
Silver/Ounce	18.12	1.2	0.3	1.5
Crude Oil (Brent)/Barrel (FM Future)	64.98	(0.6)	(5.3)	(1.5)
Crude Oil (WTI)/Barrel (FM Future)	59.04	(0.9)	(6.4)	(3.3)
Natural Gas (Henry Hub)/MMBtu	2.08	1.5	1.0	(0.5)
LPG Propane (Arab Gulf)/Ton [#]	45.88	0.0	(1.6)	11.2
LPG Butane (Arab Gulf)/Ton	71.00	(0.4)	2.0	7.0
Euro	1.11	0.1	(0.4)	(0.8)
Yen	109.45	(0.1)	1.3	0.8
GBP	1.31	(0.0)	(0.1)	(1.5)
CHF	1.03	0.0	0.0	(0.5)
AUD	0.69	0.6	(0.7)	(1.7)
USD Index	97.36	(0.1)	0.5	1.0
RUB	61.06	(0.4)	(1.7)	(1.5)
BRL	0.24	(0.1)	(0.7)	(1.9)

Source: Bloomberg (*Market was closed on January 10, 2020)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,377.62	(0.1)	0.6	0.8
DJ Industrial	28,823.77	(0.5)	0.7	1.0
S&P 500	3,265.35	(0.3)	0.9	1.1
NASDAQ 100	9,178.86	(0.3)	1.8	2.3
STOXX 600	419.14	0.0	(0.3)	(0.2)
DAX	13,483.31	0.1	1.5	1.0
FTSE 100	7,587.85	(0.1)	(0.7)	(0.9)
CAC 40	6,037.11	0.1	(0.6)	0.0
Nikkei	23,850.57	0.5	0.3	0.3
MSCI EM	1,133.63	0.4	0.9	1.7
SHANGHAI SE Composite	3,092.29	0.1	0.9	2.0
HANG SENG	28,638.20	0.3	0.8	1.9
BSE SENSEX	41,599.72	0.7	1.5	1.3
Bovespa	115,503.40	(0.2)	(2.7)	(1.6)
RTS	1,614.69	0.8	3.2	4.2

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

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNB FS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNB FS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNB FS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNB FS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNB FS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNB FS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNB FS.

COPYRIGHT: No part of this document may be reproduced without the explicit written permission of QNB FS.