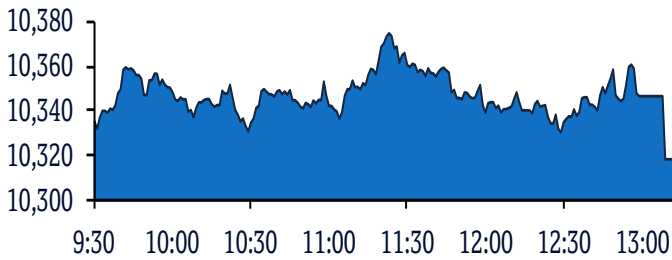


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index declined 0.4% to close at 10,318.5. Losses were led by the Insurance and Banks & Financial Services indices, falling 2.8% and 0.7%, respectively. Top losers were Qatar Insurance Company and Doha Insurance Group, falling 3.2% and 2.8%, respectively. Among the top gainers, Qatari German Company for Medical Devices gained 5.1%, while Al Khaleej Takaful Insurance Company was up 2.8%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 1.5% to close at 8,069.6. Gains were led by the Energy and Telecommunication Services indices, rising 2.6% and 2.4%, respectively. Tabuk Cement Co. rose 9.0%, while Arabian Cement Co. was up 7.2%.

**Dubai:** The DFM Index declined 1.1% to close at 2,803.3. The Banks index declined 1.6%, while the Real Estate & Construction index, fell 1.0%. Mashreqbank declined 9.9%, while Al Safwa Mubasher Financial Services was down 9.7%.

**Abu Dhabi:** The ADX General Index gained marginally to close at 5,076.5. The Insurance index rose 1.1%, while the Consumer Staples index rose 0.4%. Abu Dhabi Ship Building rose 7.8%, while Abu Dhabi National Insurance was up 7.1%.

**Kuwait:** The Kuwait All Share Index gained 0.1% to close at 5,734.4. The Consumer Goods index rose 1.7%, while the Basic Materials index gained 1.3%. KAMCO Investment Company rose 20.9%, while IFA Hotels & Resorts Co. was up 8.5%.

**Oman:** The MSM 30 Index gained 0.3% to close at 4,017.7. The Financial index gained 0.4%, while the other indices ended in red. Oman United Insurance rose 3.1%, while Bank Dhofar was up 2.2%.

**Bahrain:** The BHB Index gained marginally to close at 1,520.1. The Services and Commercial Banks indices rose 0.1% each. APM Terminals Bahrain rose 2.5%, while Bahrain Islamic Bank was up 1.7%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	0.68	5.1	8,644.2	20.3
Al Khaleej Takaful Insurance Co.	1.86	2.8	649.8	116.5
Qatar Navigation	6.42	2.7	2,163.6	(2.7)
Ooredoo	7.38	2.2	2,403.0	(1.6)
Gulf Warehousing Company	4.81	2.1	85.3	25.0

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.64	0.5	10,999.5	(50.5)
Aamal Company	0.70	(0.7)	9,898.2	(20.6)
Qatar Aluminium Manufacturing	0.87	2.0	9,399.8	(35.1)
Qatari German Co for Med. Devices	0.68	5.1	8,644.2	20.3
Qatar First Bank	0.31	(0.6)	5,946.4	(23.8)

Market Indicators	24 Sep 19	23 Sep 19	%Chg.
Value Traded (QR mn)	184.7	206.7	(10.7)
Exch. Market Cap. (QR mn)	571,036.2	573,932.6	(0.5)
Volume (mn)	75.9	72.5	4.7
Number of Transactions	5,851	5,775	1.3
Companies Traded	45	43	4.7
Market Breadth	17:24	11:25	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,986.96	(0.4)	(1.8)	4.6	14.9
All Share Index	3,032.59	(0.4)	(1.8)	(1.5)	15.0
Banks	3,980.09	(0.7)	(2.1)	3.9	13.8
Industrials	3,122.52	(0.5)	(2.1)	(2.9)	17.9
Transportation	2,523.17	0.1	0.6	22.5	13.9
Real Estate	1,425.44	0.0	(1.9)	(34.8)	15.6
Insurance	2,914.26	(2.8)	(6.7)	(3.1)	17.0
Telecoms	933.99	1.8	0.3	(5.4)	17.0
Consumer	8,611.29	0.3	(0.2)	27.5	16.9
Al Rayan Islamic Index	3,967.38	(0.2)	(1.2)	2.1	14.7

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Cement Co.	Saudi Arabia	67.00	5.0	203.2	38.0
Rabigh Ref. & Petrochem.	Saudi Arabia	20.04	4.0	742.2	5.0
Sahara Int. Petrochemical	Saudi Arabia	17.20	3.2	1,346.1	(13.8)
Yanbu National Petro. Co.	Saudi Arabia	54.20	2.8	518.6	(15.0)
Riyad Bank	Saudi Arabia	24.12	2.8	1,280.1	21.7

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Qatar Insurance Co.	Qatar	3.28	(3.2)	1,026.3	(8.6)
Mesaieed Petro. Holding	Qatar	2.90	(2.7)	1,986.7	92.9
Emirates NBD	Dubai	13.00	(2.3)	2,326.8	46.2
Qatar Gas Transport Co.	Qatar	2.30	(1.7)	1,014.4	28.3
Emaar Properties	Dubai	4.77	(1.2)	3,959.8	15.5

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%
Qatar Insurance Company	3.28	(3.2)	1,026.3	(8.6)
Doha Insurance Group	1.06	(2.8)	189.6	(19.0)
Mesaieed Petrochemical Holding	2.90	(2.7)	1,986.7	92.9
Mannai Corporation	3.31	(1.8)	295.5	(39.8)
Qatar Gas Transport Company	2.30	(1.7)	1,014.4	28.3

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.17	(0.9)	29,244.8	(1.7)
Ooredoo	7.38	2.2	17,650.4	(1.6)
Masraf Al Rayan	3.55	0.3	14,716.6	(14.8)
Qatar Navigation	6.42	2.7	13,874.2	(2.7)
Qatar Islamic Bank	15.76	(0.4)	10,792.9	3.7

Source: Bloomberg (\* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,318.52	(0.4)	(1.8)	0.8	0.2	50.46	156,863.6	14.9	1.5	4.2
Dubai	2,803.34	(1.1)	(0.6)	1.6	10.8	42.05	100,155.6	11.8	1.0	4.4
Abu Dhabi	5,076.48	0.0	(0.9)	(1.7)	3.3	22.93	141,494.0	15.2	1.4	4.9
Saudi Arabia	8,069.55	1.5	1.8	0.6	3.1	697.71	508,484.7	20.1	1.8	3.7
Kuwait	5,734.39	0.1	3.3	(3.5)	12.9	106.50	107,320.4	14.2	1.4	3.7
Oman	4,017.71	0.3	0.6	0.3	(7.1)	1.60	17,512.8	8.2	0.8	6.8
Bahrain	1,520.13	0.0	2.0	(0.8)	13.7	11.95	23,743.6	11.4	1.0	5.1

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

## Qatar Market Commentary

- The QE Index declined 0.4% to close at 10,318.5. The Insurance and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from non-Qatari shareholders despite buying support from Qatari and GCC shareholders.
- Qatar Insurance Company and Doha Insurance Group were the top losers, falling 3.2% and 2.8%, respectively. Among the top gainers, Qatari German Company for Medical Devices gained 5.1%, while Al Khaleej Takaful Insurance Company was up 2.8%.
- Volume of shares traded on Tuesday rose by 4.7% to 75.9mn from 72.5mn on Monday. However, as compared to the 30-day moving average of 90.9mn, volume for the day was 16.5% lower. Ezdan Holding Group and Aamal Company were the most active stocks, contributing 14.5% and 13.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	32.36%	29.74%	4,853,192.43
Qatari Institutions	27.49%	16.61%	20,086,163.94
<b>Qatari</b>	<b>59.85%</b>	<b>46.35%</b>	<b>24,939,356.37</b>
GCC Individuals	0.57%	0.41%	300,100.61
GCC Institutions	4.47%	0.79%	6,806,466.35
<b>GCC</b>	<b>5.04%</b>	<b>1.20%</b>	<b>7,106,566.96</b>
Non-Qatari Individuals	10.19%	6.85%	6,164,631.62
Non-Qatari Institutions	24.91%	45.60%	(38,210,554.95)
<b>Non-Qatari</b>	<b>35.10%</b>	<b>52.45%</b>	<b>(32,045,923.33)</b>

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

## Ratings, Global Economic Data and Earnings Calendar

### Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Qatar Electricity & Water Co.	Moody's	Qatar	LT-IR/BCA	A1/baa1	A1/baa2	↓	Stable	-

Source: News reports, Bloomberg (\* LT – Long Term, IR – Issuer Rating, BCA – Baseline Credit Assessment)

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
09/24	Japan	Markit	Jibun Bank Japan PMI Mfg	September	48.9	-	49.3
09/24	Japan	Markit	Jibun Bank Japan PMI Services	September	52.8	-	53.3
09/24	Japan	Markit	Jibun Bank Japan PMI Composite	September	51.5	-	51.9

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 3Q2019 results	No. of days remaining	Status
QNBK	QNB Group	9-Oct-19	14	Due
UDCD	United Development Company	23-Oct-19	28	Due
DHBK	Doha Bank	23-Oct-19	28	Due
MARK	Masraf Al Rayan	27-Oct-19	32	Due
QIGD	Qatari Investors Group	27-Oct-19	32	Due

Source: QSE

## Qatar

- **MARK to disclose 3Q2019 financial statements on October 27** – Masraf Al Rayan (MARK) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 27, 2019. (QSE)
- **Moody's: Qatari banking outlook stays stable amid infrastructure spending drive** – The outlook for Qatar's banking system remains 'Stable' as continued spending on the country's infrastructure projects will drive modest economic growth and support lending, according to Moody's, an international credit rating agency. The banks' sound profitability, capital and liquidity are expected to remain broadly stable, it stated in a report. Expecting real GDP growth to recover to 2.1% in 2019 and 2.2% in 2020, from 1.4% in 2018, driven mainly by the non-hydrocarbon sector; it stated higher oil prices have improved the government's fiscal position and supported capital spending on infrastructure projects, including for those related to 2022 FIFA World Cup. Qatar enjoyed uninterrupted fiscal surpluses from 2000 to 2014 followed by deficits during 2015-17. As the world's largest exporter of liquefied natural gas (LNG), Qatar produced surpluses averaging around 10% of GDP during the hydrocarbon-driven boom that started in 2000. The resulting accumulation of reserves underpins Qatar's fiscal strength. Finding that Qatar Petroleum (QP) lifted its moratorium on energy output in early 2017; Moody's stated the first production from the new LNG project is slated to boost the hydrocarbon sector's contribution to GDP growth in two to three years and raise the level of GDP. Highlighting that non-hydrocarbon real GDP, driven mainly by the construction sector, expanded by 4.7% in 2018, Moody's stated it expects a 4% growth in 2019-20. Stressing that banks' profitability will remain solid as pressures are receding; Moody's stated return on assets will remain broadly stable at around 1.5% going into 2020. Loan-loss provisioning needs will also stabilize and banks will continue to contain costs, with a cost-to-income ratio below 30%, the lowest among Gulf countries. Although Moody's expects Qatari banks' loan quality to remain strong over the outlook horizon, it stated their loan portfolios would face some modest pressure. The slight rise in non-performing loans will be driven by ongoing stress in the construction, real estate and contracting sectors and mostly related to private-sector developments and projects. (Gulf-Times.com)
- **Moody's: Qatari banks capital ratios resilient even to high-stress scenario** – Strong earnings and modest credit expansion will allow Qatar's banks to maintain solid capital buffers, according to Moody's. Highlighting that capital adequacy will continue to be strong, Moody's stated, "We expect tangible common equity (TCE) to remain stable at around 16% of risk-weighted assets (RWA) to the end of 2020. Qatari banks' capital ratios are resilient even to our high-stress scenario", adding capital would be supported by the banks' strong earnings with a modest credit growth of 5%. The TCE ratio declined to 15% at the end of 2018 from 15.5% the year before, mainly due to the recognition of expected credit losses amounting to around QR10bn taken from the reserves for the implementation of new IFRS 9 accounting standards. Qatari banks' capital adequacy compares favorably with their Gulf peers. Qatari banks have

bolstered their share capital since 2009; firstly, through rounds of direct capital injections for listed Qatari banks from the Qatari authorities between 2009-11 and, subsequently, by issuing Additional Tier 1 (AT1) capital, which is ongoing. AT1 capital issued during 2014-16 has supported the stronger reported capital adequacy ratio required under Basel III enhanced capital standards implemented since January 1, 2014. These AT1 capital instruments are not included within Moody's TCE calculations due to the absence of a bank resolution regime in Qatar and the fact that point of non-viability triggers in these instruments are discretionary (at the discretion of the Qatar Central Bank) – as they are in other Gulf banking systems. Under Moody's base-case (or most likely) scenario, it expects the system-wide capital ratio to increase slightly over a two-year horizon, to 15.9% by end-2020, from 15% as of end-2018. (Gulf-Times.com)

- **Moody's affirms QEWS' long-term issuer rating at 'A1' with a 'Stable' outlook, downgrades BCA to 'baa2'** – Moody's Investors Service (Moody's) has affirmed the 'A1' long-term issuer rating of Qatar Electricity & Water Company (QEWS). At the same time, Moody's has downgraded the Baseline Credit Assessment (BCA) of QEWS to 'baa2' from 'baa1'. The outlook remains 'Stable'. The rating affirmation reflects QEWS' central market position in power and water generation in Qatar, strong cash flow predictability and excellent liquidity, as well as Moody's unchanged assumption of high level of support from the Government of Qatar (Aa3 Stable). Moody's considers that the financial profile of QEWS has gradually deteriorated to a level that is now more commensurate with a 'baa2' BCA, as a result of – (i) Large capital spending that increased the company's debt, and (ii) The expiry of older, more profitable contracts. Moody's expects QEWS to generate lower free cash flow in the next 24 months because of increased investments ahead of the FIFA World Cup in 2022. The expiry of the RAF A contract and renewal of the RAF B contract under less profitable terms have also negatively affected the company's funds from operations, which declined by 14% in 2018 to QR1.8bn. Operating cash flow will gradually increase again as new projects come online, but the new contracts will not be as profitable. (Moody's)
- **Digital shift offers new opportunities for banks** – The increasing digitalization is creating opportunities for banks in Qatar and the surge towards widespread use of electronic transactions lowers operating costs, Moody's has stated. The widening application of digital innovations in financial services is placing a premium on efficiency and opening up competition that is disrupting the banking sector, the agency stated in a report. In Qatar, banks are investing heavily in IT to support efficient digital solutions and consumers are becoming increasingly accustomed to a broad array of digital products and services. Qatar has one of the highest Internet penetrations in the world with 99% of the Qatar population in 2018 using the Internet compared with a global average of 46%. Qatari banks have also developed new infrastructure to penetrate the growing market of expatriate workers who send remittances back home. They account for more than 85% of the population. Quoting Qatar Central Bank data, which found electronic cheques clearing, declined in value by 8.9% during 2018 and transactions through ATMs and point-of-sales grew by 15.9% in value and by 26% in

volume; Moody's stated the surge towards widespread use of electronic transactions will lower operating costs. (Gulf-Times.com)

- **Qatar's Construction Institute set to open next week** – Qatar's Construction Institute which is aimed at improving the efficiency and productivity in the country's construction industry, is now in the final stage of registration at the Qatar Financial Centre, and is set to open next week. The institute targets construction professionals and academics in Qatar, and will seek to promote the adoption of lean construction in Qatar, leading construction expert Luai Sabek who is also the Head of Infrastructure and Landscaping at construction giant Qatari Diar, said on the sidelines of the ongoing The Big 5 Construct Qatar 2019. Sabek said the institute will serve the objectives of the Qatar National Vision 2030, including the directives of the Amir HH Sheikh Tamim bin Hamad Al Thani to improve the reliability and delivery of construction projects as well as improve their efficiency. With construction projects market currently valued at around \$75bn, Qatar remains to be one of the leading countries with the highest construction costs in the world. (Peninsula Qatar)
- **Qatar Chamber launches electronic system to measure customer satisfaction** – Qatar Chamber launched a new electronic system to help it determine customer satisfaction and improve the services it offers to members. Qatar Chamber's Second Vice Chairman, Rashid bin Hamad Al-Athba, who is also President of the chamber's Registration and Membership Committee, said that it came in the context of developing and improving services offered by the Chamber to its members. He also said that it aims to measure the satisfaction of the Chamber's members for the services they receive during their visit to its headquarter in Member Affairs and Certificate of Origin sections. It also aims to identify the deficiencies in performance, if any, in order to develop and improve the QC services it provides to its members. Athba pointed out that the system works through two electronic devices connected to an online application on smart phones. (Qatar Tribune)
- **Top asset managers underscore need for better corporate engagement with investor community** – Qatar's top asset managers demanded better corporate disclosures and Investors Relations (IR) engagement for the growth of the country's capital market. Participating in a panel discussion on 'Factors affecting the promotion of Asset Management Industry', held as part of the 10th Annual IR Conference by QSE, they said the best practices around transparency requirements is key for making critical investment decisions. The companies should not view minority shareholders as partial owners of the company. Partnership will work only if there is trust. The trust in the company leadership, management and the board for a longer period is critical for making investment decisions, Akber Khan, Head of Asset Management, Al Rayan Investment said. (Peninsula Qatar)

#### **International**

- **ADB: Trade tensions darken growth outlook for developing Asia** – Escalating trade tensions between the US and China have darkened the outlook for developing Asia, with the region expected to grow slower than previously predicted this year and next, the Asian Development Bank (ADB) stated.

Developing Asia, a group of 45 countries across Asia and the Pacific, will likely grow 5.4% this year and 5.5% next year, down from the 5.7% and 5.6% growth forecast in July, the ADB stated in an update to its Asian Development Outlook report. Growth in the region was 5.9% in 2018. "The People's Republic of China-US trade conflict could well persist into 2020, while major global economies may struggle even more than we currently anticipate," Yasuyuki Sawada, ADB's Chief Economist, said. The dispute between the world's two largest economies has dragged on for well over a year, with both adding tariffs worth billions of dollars on each other's goods. High level talks between the two are scheduled for early October. China's economy will probably grow 6.2% this year, the ADB stated, weaker than its 6.3% projection in July. Growth in the Chinese mainland is projected to cool further to 6.0% in 2020. China is targeting 6.0% to 6.5% growth in 2019. (Reuters)

- **US consumer confidence falls in September, trade fears dominate** – The US consumer confidence ebbed in September as an escalation in trade tensions fanned concerns about business and labor market conditions, a potentially worrying signal for consumer spending, which has been driving the economy. The relatively downbeat survey from the Conference Board mirrors other confidence surveys and could renew financial market fears of a recession that had been assuaged somewhat by strong August retail sales, industrial production and housing data. The Conference Board stated its consumer confidence index dropped to a reading of 125.1 this month from a downwardly revised 134.2 in August. The index was previously reported at 135.1 in August. Economists polled by Reuters had forecasted it declining to 133.5 in September. The survey's present situation measure, based on consumers' assessment of current business and labor market conditions, decreased to 169.0 this month from 176.0 in August. The Conference Board stated that the escalation in trade and tariff tensions in late August appears to have rattled consumers, and that it appears confidence is plateauing. (Reuters)
- **Fed study: US consumers' access to credit may be worse than previously thought** – As many as 60mn Americans tend to have a hard time qualifying for credit cards and other loans, making it more difficult for them to recover from financial setbacks, according to a report released by the New York Federal Reserve. The findings show that the number of Americans who cannot easily access loans may be twice as many as previously estimated, when people who cannot easily qualify for loans because of blemishes in their credit histories are taken into account. Previous studies analyzing access to credit have focused on the roughly 26.5mn adults in the US who cannot qualify for conventional loans because they do not have credit reports or credit scores, according to the study. However, the numbers of people who cannot easily obtain credit doubles when factoring in consumers who do have credit reports but are rejected because they have low credit scores, a maxed-out credit card or fell behind on payments, the report found. (Reuters)
- **CBI: UK factory output expectations plunge to 10-year low** – British factories' expectations for output fell in September to their lowest in more than 10 years, according to a survey that showed Brexit and a global slowdown weighing on

manufacturing. The Confederation of British Industry's (CBI) monthly manufacturing order book balance fell to -28 in September from -13 in August, below expectations in a Reuters poll for a reading of -18. The survey's gauge of output expectations for the next three months dropped to -19 from -1, its lowest since April 2009, as stocks of finished goods piled up at the fastest rate since the 2008-09 financial crisis. The figures chimed with a slew of dismal manufacturing data across Europe, after a survey showed German factories were at their lowest ebb last month in more than 10 years. (Reuters)

- **Ifo: German downturn taking a breather but recession still looms** – German business morale rose in September for the first time in six months but Europe's largest economy is still likely slipping into recession as the US-China trade conflict and Brexit bite, the Ifo economic institute stated. Ifo's business climate index rose to 94.6 from 94.3 in August, snapping a run of five consecutive falls. September's reading compared with a consensus forecast for 94.4. "The downturn is taking a breather," Ifo's President, Clemens Fuest said. However, he added, "In manufacturing, the business climate has only one direction: downward." Germany's export-reliant economy is suffering from slower global growth and business uncertainty caused by US President, Donald Trump's 'America First' trade policies and Britain's planned, but delayed, exit from the European Union. Ifo's current conditions index rose to 98.5 from 97.4 in August but its expectations index fell to 90.8 from 91.3. (Reuters)
- **BoJ's board member says ready to ease again as risks grow** – A Bank of Japan's (BoJ) board member, Takako Masai said the central bank would ease policy further without hesitation if momentum for hitting its 2% inflation target was lost, adding that she was concerned about mounting risks from overseas economies. "My recent concern is that, amid significant downside risks concerning overseas economies, negative effects would be exerted on prices. I intend to continue to conduct monetary policy appropriately toward achieving the price stability target while considering all conceivable adverse and positive effects from every angle," Masai said. The BoJ left monetary policy steady at its July policy meeting but pledged to ease without hesitation to preempt risks that could hurt the chance of hitting its 2% inflation target. BoJ policymakers discussed the need for the central bank to take a preemptive response to downside risks to the economy and prices, minutes of its July 29-30 meeting showed. (Reuters)
- **China's central bank says in no rush to ease aggressively** – China is in no rush to follow other countries in significantly loosening monetary policy, but has ample options to help prop up slowing growth, its central bank's head said, maintaining a cautious approach to stimulating the economy. Despite a slew of growth measures since last year, the world's second-largest economy has yet to stabilize as the Sino-US trade war shows no sign of ending. Analysts expect growth could cool further this quarter from a near 30-year low of 6.2% hit in April-June. (Reuters)

### Regional

- **Russia will comply with OPEC+ target in September** – Russia will comply with its pledged oil production cuts as part of the OPEC+ deal, Energy Minister, Alexander Novak told reporters.

"By the end of the month all the parameters will be met," he said. In August, Russia's average oil output was 104k bpd above the target. Russia's oil output is estimated at 554mn-556mn tons in 2019, he said. There is no need for OPEC+ to take action following the attack on Saudi Arabia's oil infrastructure. Russia has ~500k bpd in spare capacity, could reduce its oil output by 500k bpd in the short-term, however, would depend on company investment decisions, production plans. (Bloomberg)

- **Saudi Arabia's August consumer prices fall 1.1% YoY; rise 0.1% MoM** – General Authority for Statistics published consumer price indices which showed that the consumer prices fell 1.1% YoY. The consumer prices rose 0.1% MoM in August, remaining constant as the previous month. Deflation led by decline in prices for housing, water, electricity, gas and other fuels, which decreased 6.5% from a year earlier. Prices rose for components including food and beverages, transport and health. (Bloomberg)
- **WSJ: Saudi Arabia considers doubling stake offered in Saudi Aramco IPO** – Saudi Arabia is considering doubling the stake to be offered in oil giant Saudi Aramco's much awaited Initial Public Offering (IPO), the Wall Street Journal (WSJ) reported. The Saudi Arabia's Royal Court and its advisors have been debating an eventual float of as much as 10% of the Saudi Aramco, doubling the country's longstanding public intention to list just 5%, according to the report. (Reuters)
- **Goldman Sachs says maintaining Saudi Arabian oil export level is achievable** – The size of Saudi Arabia's oil inventories and spare output capacity suggests its goal to maintain exports is achievable, Analysts, Damien Courvalin and Callum Bruce said. That can be attained with negligible impact on OECD commercial inventories, they added. As it stands, current level of Brent backwardation is reflecting a six week 1mn bpd OECD deficit. Inventory buffer is sufficiently large to help accommodate further delays. JODI reports global stocks owned by Saudi Arabia at 188mn bbls; Kayros shows Saudi Arabia and Egypt combined crude inventories at 101mn bbls. While the market is essentially pricing in a Saudi Arabian inventory draw as an OECD commercial stocks decline, that should not be the case as these inventories can be replenished once spare capacity is restored. (Bloomberg)
- **Saudi Arabia's Dar Al Arkan plans to expand to affordable homes** – Dar Al Arkan Real Estate Development Co. is seeing demand in Saudi Arabia for affordable housing and is in discussions with the government to enter the sector. "With the government now promoting housing in the affordable segment using mortgages, we see a second source of demand coming," Chief Executive Officer, Andy Raheja said. This will increase housing supply and help the company's revenue, he said. Dar Al Arkan, which currently develops luxury and mid-level homes, hopes that affordable housing will help diversify the firm's revenue over the next three to five years, he said. Saudi Arabia is pursuing a number of measures to support its housing market and lift home ownership to 60% from 50% by next year. It is working with local banks to facilitate financing and help developers increase the supply of affordable units. The boost for real estate is part of Crown Prince, Mohammed bin Salman's Vision 2030 economic transformation plan. He is "cautiously bullish" about Saudi Arabia's real estate in the near term as

investors slowly return after staying away for two years due to measures such as the white-land tax and value-added tax. The Kingdom is easing restrictions on tourism and entertainment, which should help the property market, he said. The company's Al Qasr Mall in Riyadh is seeing increased occupancy and rental income as attractions such as the cinema draw visitors. "It's a watershed moment in terms of domestic spending in the malls and we will selectively invest in that segment," he said. (Bloomberg)

- **After attacks, Saudi Aramco trading arm seeks oil to meet deliveries** – Saudi Aramco is buying oil originating in neighboring countries to meet its supply obligations to foreign refineries, sources told Reuters, after attacks on the company's installations 10 days ago. The state firm's trading arm is arranging for crude from the UAE and Kuwait to cover its commitments to refineries outside the Kingdom such as in neighboring Bahrain as well as Malaysia and South Korea, the sources said. Though the kingdom said it would restore full oil output by next week, it is seeking help from fellow Gulf Arab producers to keep its customers supplied and plug any gaps due to the temporary shortage, the sources said. (Reuters)
- **Saudi Arabia's stockpiles down 8.4% since Abqaiq attacks** – Saudi Arabia has been cutting crude inventories by ~1.3mn bpd since drones hit oil infrastructure, according to a note from Orbital Insights. In the month before September 14 attack, Saudi Aramco had been averaging 40k bpd build. Before attacks, the storage level was ~94mn bbl. The cuts amount to draw down of 8.4% across 6 days. Exports from Ju'aymah, port linked to damaged complex at Abqaiq, halved during the weekend. More vehicles seen at Abqaiq, suggested elevated rate of repairs. (Bloomberg)
- **SAMA Governor says attack on Aramco had no monetary impact** – The September 14 attacks on Saudi Aramco facilities had no monetary impact on Saudi Arabia, Saudi Arabian Monetary Authority (SAMA) Governor, Ahmed Al-Kholifey said. He added that Saudi Arabian banks have not seen any unusual movement on money withdrawals after the attacks which initially knocked out half the Kingdom's oil production and damaged the world's biggest crude oil processing plant. The governor said last week that Saudi economic growth this year will not be far off IMF forecasts. The IMF expects the Saudi Arabian economy to grow 1.9%, slower than the 2.2% in 2018, however, some economists are more bearish due to oil output cuts. He also said last week the central bank did not expect any shortage in Saudi Arabian banks' liquidity however, was prepared to support the market if needed. (Reuters)
- **Saudi Aramco IPO unlikely to happen this year after oil attacks** – Saudi Arabia is unlikely to list its state-owned oil giant Saudi Aramco this year after attacks this month on its facilities, two sources with direct knowledge of the company's thinking said. The Initial Public Offering (IPO) of Saudi Aramco, the world's largest oil company, is the pillar of Crown Prince, Mohammed bin Salman's economic reform agenda that aims to raise billions of dollars to help diversify the Kingdom away from oil. Saudi Aramco Chairman, Yassir Al-Rumayyan said last week after the attacks, which initially halved the crude output of the world's top oil exporter, that it would be ready for the IPO within one year. Saudi Arabian officials have said in the past the Saudi

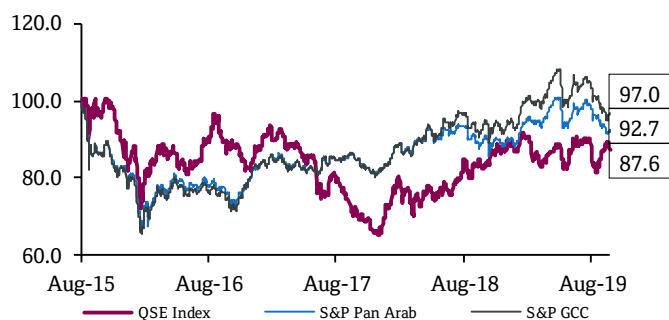
Aramco IPO could happen in 2020 or 2021. The deal, which was delayed last year, had been slated to take place as early as November, sources previously said. The plan was to offer a 1% stake on the Tadawul, the first step of the planned 5% sale that could potentially raise \$100bn. (Reuters)

- **Fitch warns bulk of \$23bn Dubai debt may need restructure** – A significant portion of \$23bn in loans made to Dubai government-related entities maturing at the end of 2021 may need to be restructured -- again, according to Fitch Ratings. Banks in the UAE are still suffering the fallout of Dubai's 2010 property crisis and are at a risk once again due to falling home prices and non-performing loans, the ratings agency stated in a report. Oversupply, weaker consumer sentiment due to lower oil prices and a less supportive economic environment are all impacting prices, according to Fitch. Foreign buyers have also been deterred by the UAE Dirham appreciation and geopolitical tensions. Property prices in Dubai, the country's tourist and financial services hub, have fallen 27% since a five-year peak in October 2014. Banks are already said to be renegotiating more than \$3bn of bad loans with Al Jaber Group, Amlak Finance and Limitless LLC. The ongoing slump is a stark reminder of the 2009 global financial crisis when state-owned Dubai World restructured \$23.5bn debt and Nakheel \$10.5bn of unpaid bills. (Bloomberg)
- **DP World to buy back \$589.8mn of 2024 bonds after tender** – Dubai-owned ports operator says holders of \$589.8mn of its \$1bn of convertible bonds due 2024 accepted its buyback offer. Eligible holders will receive on the expected settlement date of October 1 a purchase price of \$199,750 per \$200,000 in aggregate principal amount of bonds, it stated. The company will also pay accrued however, unpaid interest on such bonds purchased, expected to be \$991.67 per \$200,000 in principal amount. The bonds purchased by the company along with \$152.8mn bought earlier will be canceled. The amount in aggregate principal of \$257.4mn worth bonds remains outstanding, representing 25.74% of the issue. (Bloomberg)
- **Drake & Scull hires SHUAA Capital to advise on debt restructuring** – Drake & Scull International has hired SHUAA Capital to advise on its debt restructuring, sources said. SHUAA Capital, part of Abu Dhabi Financial Group, has been appointed as advisor, the sources told Reuters. (Zawya)
- **Abu Dhabi raises \$10bn with triple-tranche bond** – The government of Abu Dhabi has sold \$10bn in bonds, its first debt issuance in two years, which attracted hefty demand as the oil-rich Emirate takes advantage of low rates to partly offset the impact of falling oil prices on state coffers. Abu Dhabi has issued \$3bn in five-year bonds, \$3bn in 10-year and \$4bn in 30-year notes, according to a document issued by one of the banks leading the deal and seen by Reuters. Abu Dhabi, the capital of the UAE, has the biggest hydrocarbon reserves among the UAE's seven Emirates and its fiscal position is among the strongest in the region. It has a rating of 'Aa2' by rating agency Moody's, 'AA' by S&P and 'AA' by Fitch, with 'Stable' outlooks assigned by all three rating agencies. BNP Paribas, Citigroup, First Abu Dhabi Bank, HSBC, JP Morgan and MUFG were mandated as joint lead managers and joint book runners for the 144A Reg S senior unsecured bonds, according to the document. A 144A lets a non-US issuer tap the US market without

registering on a US exchange, while a Regulation S offering is a bond issued in the Eurobond market for international investors. (Reuters)

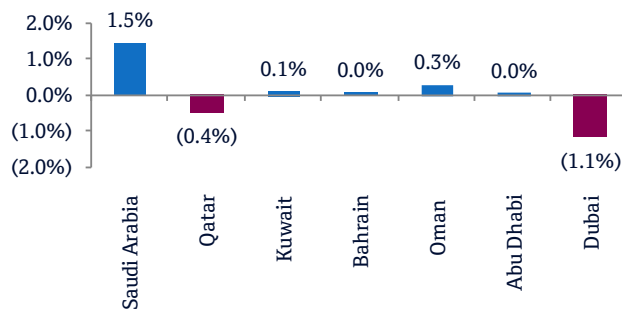
- **Kuwait's August consumer prices rise 1.24% YoY; rise 0.17% MoM** – Central Statistical Bureau in Kuwait City published Kuwait's consumer price indices which showed that the consumer prices rose 1.24% YoY and 0.17% MoM in August as compared to a rise of 0.26% in the previous month. Food and beverages price index rose 0.65% YoY. The price index for transportation rose 4.50% and communication rose 5.41%. (Bloomberg)
- **Kuwait sells KD200mn 91-day bills; bid-cover at 12.9x** – Kuwait sold KD200mn of 91 day bills due on December 24, 2019. Investors offered to buy 12.9 times the amount of securities sold. The bills have a yield of 3% and settled on September 24, 2019. (Bloomberg)
- **Oman sells OMR30mn 91-day bills at yield of 2.103%** – Oman sold OMR30mn of 91 day bills due on December 25, 2019 on September 23, 2019. The bills were sold at a price of 99.478, having a yield of 2.103% and will settle on September 25, 2019. (Bloomberg)
- **Bahrain adds to sale mania with Dollar offering of its own** – Bahrain is tapping the international bond market about a year after it secured a bailout package from its wealthier neighbors. The Dollar-denominated offering includes Shari'ah-compliant securities due in 2027 and a conventional bond due 2031, which may yield between 4.875% and 5%, and 5.875% and 6%, respectively, according to sources. (Bloomberg)
- **Bahrain sells BHD100mn 364-day bills; bid-cover at 1.51x** – Bahrain sold BHD100mn of 364 day bills due on September 24, 2020. Investors offered to buy 1.51 times the amount of securities sold. The bills were sold at a price of 97.176, having a yield of 2.87% and will settle on September 26, 2019. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,531.92	0.6	1.0	19.5
Silver/Ounce	18.60	(0.2)	3.4	20.1
Crude Oil (Brent)/Barrel (FM Future)	63.10	(2.6)	(1.8)	17.3
Crude Oil (WTI)/Barrel (FM Future)	57.29	(2.3)	(1.4)	26.2
Natural Gas (Henry Hub)/MMBtu	2.60	1.2	(2.3)	(18.4)
LPG Propane (Arab Gulf)/Ton	45.25	(2.2)	0.0	(29.3)
LPG Butane (Arab Gulf)/Ton	54.00	(3.6)	(2.3)	(22.3)
Euro	1.10	0.2	0.0	(3.9)
Yen	107.07	(0.4)	(0.5)	(2.4)
GBP	1.25	0.5	0.1	(2.1)
CHF	1.01	0.4	0.6	(0.4)
AUD	0.68	0.4	0.5	(3.5)
USD Index	98.34	(0.3)	(0.2)	2.3
RUB	63.99	0.2	(0.0)	(8.2)
BRL#	0.24	0.0	(0.4)	(6.8)

Source: Bloomberg (\*Market was closed on September 24, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,182.07	(0.5)	(0.7)	15.8
DJ Industrial	26,807.77	(0.5)	(0.5)	14.9
S&P 500	2,966.60	(0.8)	(0.9)	18.3
NASDAQ 100	7,993.63	(1.5)	(1.5)	20.5
STOXX 600	389.84	0.3	(0.7)	11.0
DAX	12,307.15	(0.0)	(1.2)	12.2
FTSE 100	7,291.43	(0.0)	(0.7)	6.2
CAC 40	5,628.33	0.2	(1.0)	14.4
Nikkei	22,098.84	0.8	0.8	13.8
MSCI EM	1,011.35	(0.4)	(1.0)	4.7
SHANGHAI SE Composite	2,985.34	0.3	(1.0)	15.7
HANG SENG	26,281.00	0.2	(0.6)	1.6
BSE SENSEX	39,097.14	(0.2)	3.0	6.5
Bovespa	103,875.70	(0.6)	(1.0)	9.7
RTS	1,358.80	(1.1)	(1.3)	27.1

Source: Bloomberg (\*\$ adjusted returns)

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