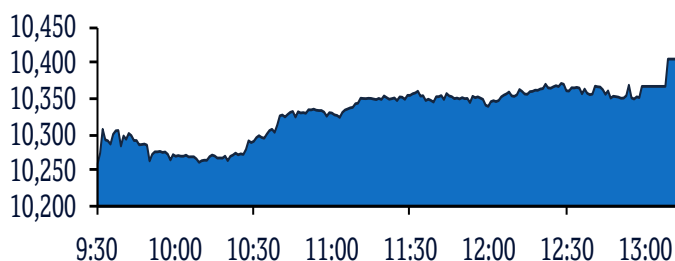


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 1.2% to close at 10,408.2. Gains were led by the Insurance and Industrials indices, gaining 2.0% and 1.5%, respectively. Top gainers were Qatar Industrial Manufacturing Company and Doha Insurance Group, rising 7.2% and 3.6%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 5.6%, while Qatar First Bank was down 2.8%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.2% to close at 8,206.1. Gains were led by the Software & Serv. and Food & Staples indices, rising 5.4% and 2.2%, respectively. Saudi Fisheries rose 9.9%, while Abdul Mohsen Al-Hokair for Tourism was up 8.0%.

**Dubai:** The DFM Index gained 0.3% to close at 2,693.2. The Insurance index rose 1.3%, while the Investment & Financial Services index gained 0.7%. Ithmaar Holding rose 7.1%, while Almadina for Finance and Investment Co. was up 5.6%.

**Abu Dhabi:** The ADX General Index fell 0.4% to close at 5,007.7. The Real Estate index declined 2.2%, while the Energy index fell 0.6%. Abu Dhabi Ship Building Company and Union Insurance Company were down 10.0% each.

**Kuwait:** The Kuwait All Share Index gained 0.4% to close at 6,074.4. The Oil & Gas index rose 3.6%, while the Consumer Goods index gained 1.3%. First Takaful Insurance Co. rose 15.2%, while Energy House Holding Company was up 10.8%.

**Oman:** The MSM 30 Index fell 1.0% to close at 3,951.8. Losses were led by the Industrial and Financial indices, falling 1.1% and 0.9%, respectively. Raysut Cement fell 7.9%, while Renaissance Services was down 3.1%.

**Bahrain:** The BHB Index gained 0.5% to close at 1,584.1. The Commercial Banks index rose 1.0%, while the other indices ended flat or in red. Ahli United Bank rose 1.5%, while Al Salam Bank – Bahrain was up 1.1%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Industrial Manufacturing Co	3.56	7.2	18.2	(0.3)
Doha Insurance Group	1.14	3.6	10.0	(5.0)
Qatar Insurance Company	3.17	3.6	1,023.4	0.3
Aljarah Holding	0.69	3.3	205.2	(1.6)
Qatar Oman Investment Company	0.64	2.6	1,168.2	(4.5)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.47	(2.3)	7,923.4	(8.3)
Masraf Al Rayan	3.96	0.0	7,438.3	0.0
Baladna	1.00	0.0	6,977.1	0.0
Ezdan Holding Group	0.59	0.2	6,568.8	(3.9)
Mesaieed Petrochemical Holding	2.30	0.0	5,517.4	(8.4)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,408.16	1.2	(1.0)	(0.2)	(0.2)	71.18	158,983.4	15.1	1.5	4.1
Dubai	2,693.17	0.3	(2.7)	(2.6)	(2.6)	30.96	99,939.0	10.7	1.0	4.3
Abu Dhabi	5,007.68	(0.4)	(1.8)	(1.3)	(1.3)	30.78	139,943.0	15.3	1.4	5.0
Saudi Arabia	8,206.13	0.2	(2.3)	(2.2)	(2.2)	1,085.41	2,354,077.0	22.0	1.8	3.3
Kuwait	6,074.42	0.4	(3.3)	(3.3)	(3.3)	155.32	113,946.1	15.0	1.4	3.5
Oman	3,951.79	(1.0)	(1.3)	(0.7)	(0.7)	1.35	17,045.3	7.5	0.7	7.6
Bahrain	1,584.13	0.5	(1.7)	(1.6)	(1.6)	2.48	24,772.9	12.6	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)

Market Indicators	06 Jan 20	05 Jan 20	%Chg.
Value Traded (QR mn)	260.6	298.8	(12.8)
Exch. Market Cap. (QR mn)	578,752.9	573,028.6	1.0
Volume (mn)	83.0	122.8	(32.4)
Number of Transactions	8,772	6,856	27.9
Companies Traded	45	45	0.0
Market Breadth	30:12	0:43	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,151.90	1.2	(1.0)	(0.2)	15.1
All Share Index	3,085.82	1.0	(1.1)	(0.4)	15.5
Banks	4,223.57	0.9	(0.8)	0.1	14.7
Industrials	2,909.81	1.5	(0.7)	(0.8)	20.0
Transportation	2,529.34	1.1	(1.6)	(1.0)	13.6
Real Estate	1,535.98	1.5	(1.8)	(1.9)	11.5
Insurance	2,711.76	2.0	(1.4)	(0.8)	15.5
Telecoms	888.48	1.4	(2.1)	(0.7)	15.1
Consumer	8,500.46	(0.3)	(2.2)	(1.7)	18.8
Al Rayan Islamic Index	3,899.46	0.8	(1.6)	(1.3)	16.2

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Qatar Insurance Co.	Qatar	3.17	3.6	1,023.4	0.3
Saudi Arabian Fertilizer	Saudi Arabia	77.90	3.0	230.1	0.5
Saudi British Bank	Saudi Arabia	34.45	2.8	755.2	(0.7)
National Shipping Co.	Saudi Arabia	38.80	2.8	1,222.7	(3.0)
Saudi Arabian Mining Co.	Saudi Arabia	43.60	2.7	401.0	(1.8)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Sohar International Bank	Oman	0.11	(2.7)	18.8	(2.7)
Aldar Properties	Abu Dhabi	2.08	(2.3)	6,451.6	(3.7)
National Petrochem. Co.	Saudi Arabia	22.20	(1.8)	207.5	(6.5)
Burgan Bank	Kuwait	0.29	(1.7)	10,387.7	(4.6)
Dar Al Arkan Real Estate	Saudi Arabia	10.60	(1.7)	5,795.0	(3.6)

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 General Ins. & Reins. Co.	2.35	(5.6)	62.9	(4.5)
Qatar First Bank	0.73	(2.8)	4,106.2	(11.1)
Dlala Brokerage & Inv. Hold. Co.	0.57	(2.4)	177.4	(7.5)
Salam International Inv. Ltd.	0.47	(2.3)	7,923.4	(8.3)
Qatar National Cement Company	5.40	(1.8)	130.1	(4.4)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	20.49	0.9	54,647.1	(0.5)
Masraf Al Rayan	3.96	0.0	29,301.6	0.0
Industries Qatar	10.55	2.4	16,687.0	2.6
Qatar International Islamic Bank	9.58	0.8	15,916.0	(1.0)
Qatar Fuel Company	22.60	(0.3)	15,752.0	(1.3)

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index rose 1.2% to close at 10,408.2. The Insurance and Industrials 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.
- Qatar Industrial Manufacturing Company and Doha Insurance Group were the top gainers, rising 7.2% and 3.6%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 5.6%, while Qatar First Bank was down 2.8%.
- Volume of shares traded on Monday fell by 32.4% to 83.0mn from 122.8mn on Sunday. However, as compared to the 30-day moving average of 74.3mn, volume for the day was 11.8% higher. Salam International Investment Limited and Masraf Al Rayan were the most active stocks, contributing 9.5% and 9.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	19.88%	33.60%	(35,766,358.14)
Qatari Institutions	24.83%	25.23%	(1,052,418.29)
<b>Qatari</b>	<b>44.71%</b>	<b>58.83%</b>	<b>(36,818,776.43)</b>
GCC Individuals	0.56%	0.92%	(943,662.85)
GCC Institutions	0.52%	6.60%	(15,843,038.82)
<b>GCC</b>	<b>1.08%</b>	<b>7.52%</b>	<b>(16,786,701.67)</b>
Non-Qatari Individuals	7.95%	10.17%	(5,784,320.51)
Non-Qatari Institutions	46.27%	23.49%	59,389,798.60
<b>Non-Qatari</b>	<b>54.22%</b>	<b>33.66%</b>	<b>53,605,478.09</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
Boubyan Bank	Moody's	Kuwait	BCA/LT-DR/ST-DR	ba1/ A3/ P-2	ba1/ A3/ P-2	–	Stable	–

Source: News reports - Zawya (\* LT – Long Term, ST – Short Term, BCA – Baseline Credit Assessment, DR – Deposit Rating)

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/06	US	Markit	Markit US Services PMI	Dec	52.8	52.2	52.2
01/06	US	Markit	Markit US Composite PMI	Dec	52.7	–	52.2
01/06	UK	Markit	Markit/CIPS UK Services PMI	Dec	50.0	49.1	49.0
01/06	UK	Markit	Markit/CIPS UK Composite PMI	Dec	49.3	48.5	48.5
01/06	EU	Markit	Markit Eurozone Services PMI	Dec	52.8	52.4	52.4
01/06	EU	Markit	Markit Eurozone Composite PMI	Dec	50.9	50.6	50.6
01/06	EU	Sentix Behavioral Indices	Sentix Investor Confidence	Jan	7.6	2.6	0.7
01/06	EU	Eurostat	PPI MoM	Nov	0.2%	0.1%	0.0%
01/06	EU	Eurostat	PPI YoY	Nov	-1.4%	-1.5%	-1.9%
01/06	Germany	German Federal Statistical Office	Retail Sales MoM	Nov	2.1%	1.0%	-1.3%
01/06	Germany	German Federal Statistical Office	Retail Sales NSA YoY	Nov	2.8%	1.0%	0.8%
01/06	Germany	Markit	Markit Germany Services PMI	Dec	52.9	52.0	52.0
01/06	Germany	Markit	Markit/BME Germany Composite PMI	Dec	50.2	49.5	49.4
01/06	France	Markit	Markit France Services PMI	Dec	52.4	52.4	52.4
01/06	France	Markit	Markit France Composite PMI	Dec	52.0	52.0	52.0
01/06	Japan	Markit	Jibun Bank Japan PMI Mfg	Dec	48.4	–	48.8
01/06	China	Markit	Caixin China PMI Composite	Dec	52.6	–	53.2
01/06	China	Markit	Caixin China PMI Services	Dec	52.5	53.2	53.5
01/06	India	Markit	Markit India PMI Composite	Dec	53.7	–	52.7
01/06	India	Markit	Markit India PMI Services	Dec	53.3	–	52.7

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	7	Due
GWCS	Gulf Warehousing Company	14-Jan-20	7	Due
QIBK	Qatar Islamic Bank	15-Jan-20	8	Due
ABQK	Ahli Bank	16-Jan-20	9	Due
MARK	Masraf Al Rayan	20-Jan-20	13	Due
KCBK	Al Khalij Commercial Bank	20-Jan-20	13	Due
DHBK	Doha Bank	26-Jan-20	19	Due

Source: QSE

## News

### Qatar

- **QISI opens the door for candidacy to the board of directors** – Qatar Islamic Insurance Group (QISI) announced the opening of the candidacy for the membership of the board of directors for the next three years i.e. 2020-2022 on January 8, 2020. Application will be accepted from January 12, 2020 to January 19, 2020. (QSE)
- **QGRI announces result of its board meeting** – Qatar General Insurance & Reinsurance Company (QGRI) announced the approval of its board of directors in its meeting held on January 6, 2020 on the budget and the business plan for the years 2020, 2021 and 2022. (Peninsula Qatar)
- **WOQOD opens expansion of Al Hilal Petrol Station** – Qatar Fuel Company (WOQOD) opened the expansion of Al Hilal Petrol Station as part of its ongoing plans to serve every area in Qatar, raising its network of various petrol stations to 98. After expansion, the Al Hilal Petrol Station is spread over a 28,700 square meters area and has four lanes with 12 dispensers for light vehicles, in addition to the existing six dispensers within three lanes. Al Hilal Petrol Station offer round-the-clock services to residents, and includes Sidra convenience store, manual car wash, oil change and tire repair, and sale of Shafaf LPG cylinders, in addition to gasoline and diesel products for light vehicles. WOQOD's Managing Director and CEO, Saad Rashid Al-Muhannadi said that WOQOD is currently overseeing the implementation of 14 new petrol stations, most of which will be operational in the first quarter of the year. (Gulf-Times.com)
- **Vodafone Qatar first in region to launch HTC 5G mobile smart hub** – Vodafone Qatar announced that it is the first operator in the region to unveil the HTC 5G Hub, the world's first 5G mobile smart hub that harnesses 5G speeds for home, business, and everywhere in between. The device enables smooth 4K video streaming, low-latency gaming, and 5G mobile hotspot features for up to 20 users. Priced at QR2,999, the HTC 5G Hub is exclusively available now at Vodafone Qatar's flagship retail stores and online shop. The HTC 5G Hub features a 5-inch HD touchscreen that allows for ease of use and high-quality visuals, and long-lasting power makes for an ideal travel companion. This product is also at the forefront of cloud-based virtual reality (VR) technology. In the future, users will be able to stream VR content from the cloud to a VIVE Focus headset via the HTC 5G Hub and no PC or unnecessary cables required to enjoy a mobile, high-end VR experience in real time. (Gulf-Times.com)
- **Network upgrade to enhance gaming on Ooredoo ONE** – Ooredoo on Monday announced the completion of the first phase of its network upgrade program, offering enhancements to the gaming experience available with Ooredoo ONE. Ooredoo is working with global gaming providers to optimize the ping times for the most popular games in Qatar. Online multiplayer games require very low ping times for a superior gaming experience and rely on optimized connectivity with the gaming servers. Ooredoo ONE customers can now experience the lowest ping times in Qatar for the most popular games, including Fortnite, Call of Duty, Battlefield, The Division 2, Battlefield, Rocket League, Miscreated, Dota2 and various FIFA games. Ooredoo is now working with gaming providers for the next phase of its gaming enhancement, which will see improvements for several other games. (Qatar Tribune)
- **Markaz: MPHC among top GCC Blue Chip gainers in 2019** – Mesaieed Petrochemical Holding Company (MPHC) topped GCC Blue Chip companies outside Kuwait among the gainers during 2019, with its stock price rising by 67%, Markaz (Kuwait Financial Centre) has stated in a report. According to Markaz, 2019 ended on a positive note for Gulf markets as a whole. The S&P GCC index registered yearly gains of 8.3%, with all markets barring Oman posting positive returns. Global equity markets were buoyant in 2019 despite concerns surrounding the US-China Trade War, Markaz stated. (Gulf-Times.com)
- **Qatar remains top LNG exporter despite Australia's rise** – Liquefied natural gas (LNG) exports from Qatar totaled 79mn metric tons in 2019, compared to Australia's 76.4mn tons, based on Bloomberg vessel tracking estimates. Despite projections that Australia would beat Qatar to the top of the leader board, the Gulf state was able to hold its title for one more year. After the commissioning of Inpex Corp.'s Ichthys LNG and Royal Dutch Shell PLC's Prelude FLNG, Australia boasts 87mn metric ton per annum production capacity, dwarfing Qatar's 77MMtpa nameplate capacity. By the third quarter last year, Australia had edged Qatar on monthly export volume. (Bloomberg)
- **OBG: Qatar shift towards knowledge-based economy bodes well for software market** – Qatar's shift towards a knowledge-based economy will have a positive impact on the country's software market, which is expected to hit QR1.6bn by 2021. Of this, the IT services sector share will be QR1bn and the IT infrastructure market in excess of QR800mn, Oxford Business Group (OBG) stated citing the Ministry of Transport and Communications. Previously, HE the Minister of Transport and Communications Jassim Seif Ahmed Al-Sulaiti had said Qatar's ICT sector was estimated to grow by 3.2% a year to \$4.4bn in 2021. Qatar is heavily investing in 5G technology and once established, it will allow peak Internet connection speed to reach 1 Gbps, create higher communication capacity and allow for an increase in the number of mobile broadband users. The deployment of advanced technology runs alongside the Qatar National Vision 2030 (QNV 2030), the country's development plan to diversify the economy and reduce dependency on hydrocarbons. The Qatar e-Government 2020 Strategy, launched some six years ago, aims to enhance service performance, create efficiency and increase openness. It targets 100% of government services online by this year and an increase by 20% per year of the number of users participating in government forums, Oxford Business Group said in its 'The Report: Qatar 2019'. (Gulf-Times.com)
- **Qatari ports wrap up successful year** – Qatar's maritime sector has wrapped up a successful year by setting new volume and productivity benchmarks in 2019. Hamad Port, Ruwais Port and Doha Port received 4,082 vessels and handled 1.34mn Twenty Foot Equivalent Units (TEUs) containers during the year. "Our ports' performance in December 2019 ended on a positive note and Mwani Qatar looks forward to 2020 focusing on the projected 2.5% increase in Qatar's economic growth," Qatar Ports Management Company (Mwani Qatar) stated. Hamad

Port, Ruwais Port and Doha Port handled 108,546 TEUs containers, 40,836 tons general cargo, 63,010 livestock heads, 18,081 tons building materials and 6,238 units of vehicles during last month. The ports had handled 63,413 tons of general cargo; 8,467 units of vehicles and 62,260 livestock heads in November last year. The container traffic at Hamad Port, Ruwais Port and Doha Port had crossed 1.2mn mark during January-November this year. Qatar's maritime sector is expected to witness another year of strong growth as various steps have been taken by the concerned authorities to boost goods traffic at the ports. One of the major steps includes expansions of Hamad Port. The development works of Phase II of the Hamad Port, which consist of second container terminal (CT-2), has already begun. As part of the development of CT-2, QTerminals announced last month that it had placed an order for 24 Terminal Trailers. Mwan Qatar had also signed a container services agreement in November last year, with the Mediterranean Shipping Company (MSC) to use Hamad Port as a regional hub to manage transshipments for up to 150,000 TEUs per year, growing to one million TEUs by 2023. (Peninsula Qatar)

- **Shura discusses draft law on industrial designs** – The Shura Council on Monday approved a draft law amending some provisions of Decree No (17) of 2010 organizing the National Human Rights Committee and referred its recommendations thereon to the Cabinet. At its weekly meeting chaired by Speaker HE Ahmed bin Abdullah bin Zaid al Mahmoud, the Shura Council also discussed a draft law on the protection of industrial designs. The draft law includes (38) articles, and stipulates that a special record shall be established in the Industrial Property Protection Office at the Ministry of Commerce and Industry, to register industrial designs and their ownership, notifications of assignment or transfer of ownership, licenses issued thereon, and all other matters related to industrial designs, in accordance with the rules and procedures determined by the executive regulations. (Qatar Tribune)

#### **International**

- **Global manufacturers tread water at end of 2019, ending worst year since 2012** – Global manufacturing activity remained broadly unchanged in December, according to PMI survey data, improving only fractionally for a second successive month to round off the sector's worst annual performance for seven years. Business confidence in the outlook improved, however, to suggest growth could pick up as we move into 2020. The JPMorgan Global Manufacturing PMI, compiled by IHS Markit from its surveys in over 30 markets, fell from 50.3 in November to 50.1 in December, remaining above the 50.0 no-change level for a second month to indicate marginal growth, contrasting with sub-50 PMI readings in the prior six months. Although signaling stabilization on the mild declines has seen in the prior six months, the lackluster performance seen in the closing two months of 2019 rounds off a year in which activity stagnated, representing the goods-producing sector's performance for seven years. The average reading of 50.0 for 2019 was down markedly from 52.8 in 2018 and 53.0 in 2017, its lowest since 2012 (and second-worst since 2009). New orders and output continued to edge higher, but global exports continued to fall,

down for a sixteenth straight month. However, the decline in global exports was the smallest since last January, hinting that global trade is exerting a reduced drag on both production and order books. The easing in the rate of loss of exports tallies with both improved news flow and reduced panel member concerns regarding trade wars. (Markit)

- **US business activity growth accelerates to five month high in December** – The US service sector firms indicated a moderate expansion in business activity at the end of 2019, with growth driven by a stronger rise in new orders. Foreign client demand also picked up, as new export orders increased for the first time since July. Subsequently, the rate of job creation ticked up to a five-month high despite only fractional pressure on capacity. Business confidence, however, remained well below the series average. Meanwhile, service providers were able to increase their selling prices at a faster pace amid a quicker, albeit only modest, rise in cost burdens. The seasonally adjusted final IHS Markit US Services Business Activity Index registered 52.8 in December, up from 51.6 in November, signaling a further rebound in output growth following a slump in activity during the summer. The overall rise in business activity across the US private sector quickened in December has boosted by a stronger increase in service sector output. The IHS Markit Composite PMI Output Index registered 52.7 in December, up from 52.0 in November, to signal a moderate expansion in private sector business activity. The upturn was the fastest since April. Private sector new business grew at the strongest rate since July, with service providers recording a second successive and sharper rise in client demand. Similarly, firms indicated back-to-back expansions in new export orders, albeit both at fractional rates overall. Employment also continued to rebound from the contractions seen in September and October, with both sectors registering a rise in staffing levels. (Markit)
- **US energy consumption hit by economic slowdown** – The US manufacturers and freight haulers were hit last year by the sharpest slowdown since the 2008/09 recession and it filtered through into a noticeable dip in energy consumption. Use of electricity, natural gas and diesel by industrial customers all showed large declines, or at least sharp slowdowns, in the nine months ending in September 2019. In July to September, industrial users' total energy consumption fell 1% compared with the same period a year earlier, according to statistics from the US Energy Information Administration. That was the biggest decline since the mid-cycle manufacturing slowdown in 2015-16 and before that the recession of 2008-09. Within the total, industrial consumers' electricity consumption fell by almost 5% in the third quarter from a year earlier, easily the biggest decline since the recession. (Reuters)
- **UK's business expectations component of the Purchasing Managers' Index hit its highest level since September 2018** – The business expectations component of the IHS Markit/CIPS UK Services Purchasing Managers' Index (PMI) hit its highest level since September 2018, while order books increased for the first time in four months. The overall PMI in December improved to 50.0 from a preliminary flash reading for the month - based on responses before the election - of 49.0. It was also higher than November's 49.3. Still, the index has not exceeded the 50 threshold denoting growth since August - the longest run

below that mark since 2009 - and survey compiler IHS Markit said its readings were consistent with no growth in the economy in the fourth quarter. The composite PMI, which combines the services and manufacturing output indexes, held at 49.3 in December, matching September's 38-month low, but better than the preliminary estimate of 48.5. (Reuters)

- **Eurozone's December business activity close to stagnation despite services bounce** – Eurozone's business activity remained close to stagnation at the end of last year, a survey showed on Monday, as an upturn in services activity only partially offset a continued decline in the bloc's manufacturing industry. IHS Markit's final Eurozone Composite Purchasing Managers' Index (PMI), seen as a good indicator of economic health, nudged up to 50.9 in December from November's 50.6. A PMI for the bloc's dominant services industry bounced to 52.8 from November's 51.9, above a preliminary reading of 52.4. However, a manufacturing PMI out last week showed factory activity contracted for an 11th straight month in December. The upturn in services meant firms were at their most optimistic about the year ahead since May. A composite future output PMI jumped to 59.4 from 57.9. Indicating services activity may remain resilient, firms in the sector were unable to match demand last month for the first time since July. The backlogs of work index climbed to 51.0 from 49.7. (Reuters)
- **Eurozone's producer prices fall less than expected in November** – Eurozone's producer prices fell in November for the fourth consecutive month but their drop was slower than in October and smaller than expected, official estimates showed on Monday. The European Union's statistics agency Eurostat said prices at factory gates in the 19 countries sharing the euro dropped by 1.4% on the year in November, after a 1.9% plunge in October. Economists polled by Reuters had forecasted a 1.5% fall on the year in November. The slowdown in industry deflation was mostly caused by a less prominent fall in energy prices, which declined by 6.1% in November after a 7.7% drop in October. On the month, overall industry prices rose by 0.2% in November after stalling in October. Eurozone's headline inflation accelerated to 1.0% in November and economists polled by Reuters expect it to rise further to 1.3% on the year in December. (Reuters)
- **Eurozone's investor morale jumps to highest since November 2018** – Morale among investors in the Eurozone jumped for the third month in a row in January, buoyed by positive economic news from Asia and signs of an easing in US-China trade tensions, a survey showed on Monday. The Sentix research group's index of investor morale rose to 7.6 points from 0.7 in December, hitting its highest level since November 2018. Expectations reached their highest since February 2018, and current conditions their highest since last June. (Reuters)
- **Germany's service sector sees positive end to 2019** – Germany's service sector ended 2019 on a more solid footing, recording the strongest activity growth for four months and the first increase in overall new business since August, latest PMI data from IHS Markit showed. Furthermore, business confidence climbed sharply to the highest since April. There were rises in employment, input costs and output prices, though in each case the rate of increase eased since November and was below the respective average for 2019. The headline seasonally adjusted

IHS Markit Germany Services PMI Business Activity Index improved for the third month in a row in December, indicating a further recovery in growth from September's three-year low. At 52.9, up from 51.7 in November, the latest reading was the highest since August, though still below the year's average (54.0). As was the case throughout the final quarter of 2019, growth was recorded in five of the six monitored services categories, the only exception being Transport & Storage. Output expectations meanwhile improved to a ten-month high, buoyed by increased optimism across both monitored sectors although confidence was notably stronger among service providers. (Markit)

- **French sees slightly faster growth in December's service sector activity** – The latest PMI data pointed to a slightly faster increase in business activity across the French service sector during December. Growth was supported by a solid expansion in new business, which in turn saw backlogs of work rise at the quickest pace since October 2018. Meanwhile, firms continued to employ additional workers, extending the current run of workforce expansion to three years. This came despite confidence towards the business outlook slipping to a four-month low. The headline seasonally adjusted IHS Markit France Services Business Activity Index registered at 52.4 in December, up from 52.2 in November. The reading pointed to a moderate expansion in business activity, but one that was slightly faster than in the previous survey period. Sub-sector data revealed broad-based growth, with the sharpest increase registered by Hotels & Restaurants. Underpinning the further expansion in activity was another rise in demand during December. New orders placed with service providers increased for the ninth month in a row. Moreover, the rate of growth accelerated from November and was solid overall. Overall new business growth was supported by an increase in international sales. Foreign demand rose for the third time in as many months, although the rate of expansion eased slightly from November. Sub-sector data pointed to growth in four of the six covered categories. (Markit)
- **Japan's service sector output declines at strongest rate in over three years** – Japan's service sector economy moved back into contraction during December, wiping out the minor recovery recorded in November and rounding off the worst quarterly economic performance seen for over three years. Although new business gains were reported, latest survey data showed that underlying demand conditions slowed from the first half of the year, leading businesses to cut their output charges and begin reducing backlogs. Nonetheless, employment growth was maintained and output expectations remained in firm positive territory. The Jibun Bank Japan Services PMI is compiled by IHS Markit from survey responses from a panel of around 400 service sector companies. The seasonally adjusted Business Activity Index fell to 49.4 during December, down from 50.3 in November, signaling the second contraction in service sector output over the past three months. Furthermore, the decline was the strongest in over three years, subsequently rounding off the worst quarterly economic performance since the third quarter of 2016. The Jibun Bank Japan Composite Output Index recorded 48.6 in December, down from 49.8 in November, signaling the sharpest contraction in private sector business activity for over five-and-a-half years. (Markit)

- **Buoyant demand boosts India services activity to five-month high in December** – Activity in India’s dominant service industry accelerated to a five-month high in December as demand rose at the fastest pace in more than three years, a private business survey showed on Monday. The Nikkei/IHS Markit Services Purchasing Managers’ Index rose to 53.3 in December from November’s 52.7, holding above the 50-mark that separates growth from contraction for the second straight month. Taken together, they pushed the composite PMI, which includes both manufacturing and services, to 53.7 last month from November’s 52.7, its highest in five months. (Reuters)

#### Regional

- **OPEC’s December oil output slips as Nigeria, Iraq comply more** – OPEC oil output fell in December as Nigeria and Iraq adhered more closely to pledge reductions and top exporter Saudi Arabia made further cuts ahead of a new production-limiting accord, a Reuters survey found. On average, the 14-member OPEC pumped 29.50mn bpd last month, according to the survey. That is down 50,000 bpd from November’s revised figure. This has increased concern of conflict that could further cut supply. “Looking ahead, geopolitical risks will remain front and center of investor concerns. A tense waiting game has begun to see if the fallout will lead to a disruption in regional oil supplies,” Stephen Brennock of oil broker PVM said. (Reuters)
- **Saudi Arabia’s global investments reaches SR4.26tn** – Saudi investment assets abroad grew by 8.86% or SR346.94bn to reach SR4.26tn by the end of 3Q2019, as shown by the Saudi Arabian Monetary Authority’s (SAMA) most recent data. Saudi assets abroad consist of various investments, such as foreign direct investment (FDI), portfolio investments, as well as reserve assets. The growth in 3Q2019 was largely attributed to a 21.3% YoY increase in FDI by around SR75.22bn to SR428.12bn. Portfolio investments also went up by around 19% YoY or SR166.23bn to SR1.041tn. Meanwhile, investments in foreign debt instruments grew by 4.3% YoY by the end of September 2019 to SR282.38bn. The Public Investment Fund (PIF) aims at increasing its asset portfolio to more than \$2tn by 2030. (Zawya)
- **Sempra LNG and Aramco Services Company sign Interim Project Participation Agreement for Port Arthur LNG** – Sempra Energy and Saudi Aramco today announced their respective subsidiaries, Sempra LNG and Aramco Services Company, have signed an Interim Project Participation Agreement (IPPA) for the Port Arthur LNG export project under development in Jefferson County, Texas. The IPPA represents another milestone for both companies after having signed a heads of agreement in May last year for the purchase of 5mn tons per annum (Mtpa) of liquefied natural gas (LNG) and a 25% equity investment in the Port Arthur LNG project. “Today’s announcement is a reflection of the growing alignment between our companies’ interest in the overall success of the Port Arthur LNG project,” Chairman and CEO of Sempra Energy, Jeffrey W. Martin said. “We have a tremendous amount of respect for Saudi Aramco and its leadership team and we are pleased we can support their success in the global natural gas markets.” Saudi Aramco’s President and CEO, Amin H. Nasser said, “The global demand growth for LNG is expected to continue in the coming years, and we see significant

opportunities in this market. This agreement with Sempra Energy is another step forward for Saudi Aramco’s long-term gas strategy, and towards becoming the global leading integrated energy and chemicals company.” The initial phase of the Port Arthur LNG project is fully permitted and it is expected to include two liquefaction trains, up to three LNG storage tanks and associated facilities to enable the export of approximately 11 Mtpa of LNG on a long-term basis. Earlier this year, Sempra LNG initiated the Federal Energy Regulatory Commission pre-filing review for a subsequent potential expansion of the proposed project that would add two additional liquefaction trains for a total export capacity of approximately 22 Mtpa of LNG. (Bloomberg)

- **PMI: UAE non-oil private sector economy slips to 50.2 in December** – December data signaled a downbeat end to the year for the UAE non-oil private sector, with output growth the weakest in over eight years and new work rising only marginally after November’s downturn. Selling charges continued to drop, putting further pressure on margins. Expectations remained elevated though, as firms held on to hopes that increased investment and tourism will support business activity growth during 2020. The headline seasonally adjusted IHS Markit UAE Purchasing Managers’ Index (PMI) – a composite indicator designed to give an accurate overview of operating conditions in the non-oil private sector economy – slipped to 50.2 in December, from 50.3 in November, only slightly above the 50.0 mark that separates expansion from contraction. As such, the rate of improvement in business conditions was fractional and the slowest in the decade-long sequence of growth. UAE businesses reported a weaker increase in activity during December, marking the third successive month in which the rate of expansion has softened. The latest upturn was also the slowest in over eight years, with panelists often noting subdued economic conditions. At the same time, new orders grew marginally, linked to soft demand both at home and abroad. The expansion in new business volumes was the weakest seen in the series history, albeit followed the first monthly reduction ever recorded in November. (Markit)
- **Sheikh Mohammed unveils multi-entry, five-year tourist visas in UAE** – Vice-President and Prime Minister of the UAE and Ruler of Dubai, HH Sheikh Mohammed bin Rashid Al Maktoum announced that tourist visas in the UAE will now be issued for five years. “Today, we change the system of issuing tourist visas in the country, to make the duration of the tourist visa for five-years, multiple uses, for all nationalities,” he said. We received more than 21mn tourists annually, and we want to establish the UAE as an international tourist destination, he added. (Zawya)
- **Eshraq Investments approves cross-listing on ADX, Tadawul** – The ordinary general meeting (OGM) of Eshraq Investments, listed on the Abu Dhabi Securities Exchange (ADX), approved the cross-listing of the company’s shares on the Saudi Stock Exchange (Tadawul) during its meeting. The general assembly delegated the board of directors to follow-up and implements all the listing procedures, including the timing, conditions, and offered stake, according to a bourse filing. This mandate shall be effective for a period of three years starting from the date of

the meeting. On the other hand, the OGM did not approve the board's recommendation to decrease the capital by 42% to offset accumulated losses. (Zawya)

- **Moody's affirms Boubyan Bank's ratings, outlook** – Moody's Investors Service has maintained Boubyan Bank's baseline credit assessment at 'ba1' and its outlook as 'Stable'. Meanwhile, the bank's long-term and short-term deposits ratings were affirmed at 'A3' and 'P-2', respectively, according to a bourse statement. The bank referred that the 'ba1' rating indicates the rapid growth of the bank's services provided to individuals and companies, locally. This shall support the bank's stable financing as well as its strong profitability and capital. Boubyan Bank added that maintaining these ratings would reflect positively through the ongoing confidence in the bank and its solid financial position. (Zawya)
- **Kuwait Finance and Investment sells 13.3mn shares in Mena real estate** – Kuwait Finance and Investment (KFIC) has sold 13.26mn of its shares in Mena Real Estate. The deal was concluded on Tuesday, 31 December 2019, Mena Real Estate said in a bourse statement on Sunday. In November, the target of KFIC's ownership in Mena Real Estate was changed to a short-term investment. (Zawya)
- **Kuwait sees 69% higher tourism revenues in 9 months** – Revenues from the tourism sector in Kuwait jumped up by 69% YoY during the first nine months of 2019. The tourism revenues amounted to around KD152.1mn in the first nine months of 2019, compared to KD90mn in the corresponding period last year, according to data collected by Mubasher citing the Central Bank of Kuwait (CBK). Meanwhile, during the first quarter of 2019, Kuwait's revenue from tourism grew by 62.35% YoY to KD55.2mn. During the second quarter of 2019, the revenues surged by 77.33% YoY to KD53.2mn, while over the third quarter, the revenues increased by 68.08% to KD43.7mn. As for the spending by Kuwaitis on foreign tourism in the first nine months, it increased by 21.34% to KD4bn from KD3.30bn in the same period in 2018. Total population in Kuwait in July 2019 reached 4.82mn, including 3.40mn expatriates and 1.42 Kuwaiti citizens, as released by the Civil Service Commission (CSC). (Zawya)
- **Kamco completes merger with Global Investment House** – Kamco Investment Company, Kuwait's non-banking financial powerhouse with one of the largest AUMs in the region, announced its new identity, "Kamco Invest", after completing the legal, operational and integration merger processes with Global Investment House (Global) marking the beginning of a new era in implementing the company's strategy. During the press conference held to announce the end of the merger process and the new identity, CEO, Faisal Mansour Sarkhou emphasized that the merger comes as a crucial phase in Kamco's implementation of its growth and expansion strategy which was initiated back in 2014. "The strategy was put into effect with an aim of expanding the company's client base while building long-lasting relationships through a wider range offerings and investment solutions. Today we are in the second phase of implementing our strategy as we become a more competitive investment company in the local and regional markets. Kamco Invest will offer clients an integrated set of investment solutions, a wealth of expertise and advanced

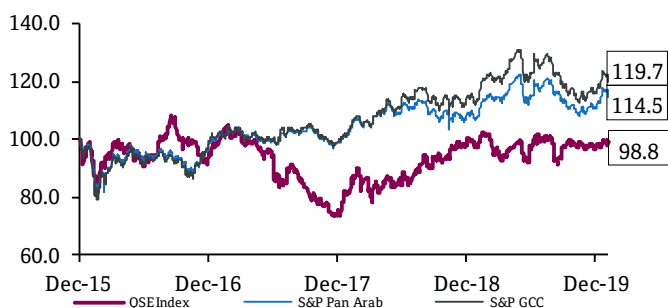
systems that are in line with the best international standards within this sector. What differentiates this merger is the integration of combined years of knowledge operating in the investment sector, coupled with a range of progressively developed products and services that support Kamco Invest's competitive position. The company today offers a diverse range of solutions that meet and exceed each client's expectations, also catering to their unique risk-appetites, both locally, and throughout the region. These solutions include asset management, investment banking, brokerage and lending," he said. The company's assets under management stand at approximately \$13.7bn invested in various asset classes and jurisdictions. In a recent asset management report issued last September by Moody's, Kamco Invest was ranked as the fifth largest asset manager in the GCC region. Kamco Invest's strong presence in the regional debt and equity markets, coupled with its extensive networks and relationships with clients, led to the successful conclusion of numerous transactions for key players in the market. With investment banking credentials exceeding \$21bn, Kamco Invest is one of the most active asset managers and investment banking firms in the region. (Qatar Tribune)

- **CBO total foreign assets rose 2.9% by October-end 2019** – Total foreign assets of the Central Bank of Oman (CBO) rose by 2.9%, reaching OMR6.26bn compared to the same period of 2018 when it stood at OMR6.08bn. The effective exchange rate index of Omani Rial fell by 0.4% to 105.2 points at the end of October 2019 compared to 105.6 points in the same period of 2018. The Sultanate registered a 0.3% fall in narrow money supply (M1) to reach OMR5.03bn at the end of October 2019. Meanwhile, broad Money Supply (M2) rose by 5.2% to reach OMR17.52bn during the period as against OMR16.65bn the previous year, according to data released by the National Centre for Statistics and Information (NCSI). Private sector deposits in commercial banks and Islamic windows showed a rise of 5.8% at the end of October 2019, reaching OMR15.04bn against OMR14.22bn in 2018. Total loans and financing in commercial banks rose by 3.9% to OMR25.87bn at the end of October 2019 against OMR24.9bn in 2018. (Zawya)
- **Strategic projects worth \$25bn to fuel Oman's economic growth** – Nine mega ventures currently in various stages of implementation with investments totaling in excess of \$25bn have been affirmed by the Omani government as imperative to sustaining the Sultanates long-term socioeconomic development. The portfolio of projects and developments, listed in the 2020 state budget unveiled last week, include a number of big-ticket petrochemical ventures, a lavish mixed-used waterfront development, a large-scale logistics city, a new high-end neighborhood for Muscat, investments in food security projects, and an upcoming copper mining scheme. Not included in the list are a similar number of equally substantive schemes currently under development at the Special Economic Zone (SEZ) at Duqm. (Zawya)
- **Oman sells OMR40mn 91-day bills at yield 1.902%; bid-cover at 1.1x** – Oman sold OMR40mn of 91 day bills due on April 8, 2020. Investors offered to buy 1.1 times the amount of securities sold. The bills were sold at a price of 99.525, having a yield of 1.902% and will settle on January 8, 2019. (Bloomberg)

- **Bahrain signs deal for BHD83.6mn new expo centre** – Bahrain authorities have signed a contract with Cebarco Bahrain to build a new BHD83.6mn state-of-the-art exhibition centre in Sakhir. The contract for the new Bahrain International Exhibition and Convention Centre was signed by Works, Municipalities Affairs and Urban Planning Minister, Essam bin Abdulla Khalaf and Industry, Commerce and Tourism Minister, Zayed bin Rashid Al-Zayani with Cebarco Bahrain Chairman, Khalid Abdulrahim, a Bahrain News Agency report said. Al Zayani said the project will be completed by mid-2022. Located next to the Bahrain International Circuit in Sakhir, the new 308,000-square-meters exhibition and convention centre will be built on a 1.3mn-square meters plot. It will be five times bigger than the current exhibition centre in Sanabis, the minister said, adding that the project will be the largest of its kind in the region. (Zawya)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 1.2x** – Bahrain sold BHD70mn of 91 day bills due on April 8, 2020. Investors offered to buy 1.2 times the amount of securities sold. The bills were sold at a price of 99.344, having a yield of 2.61% and will settle on January 8, 2020. (Bloomberg)

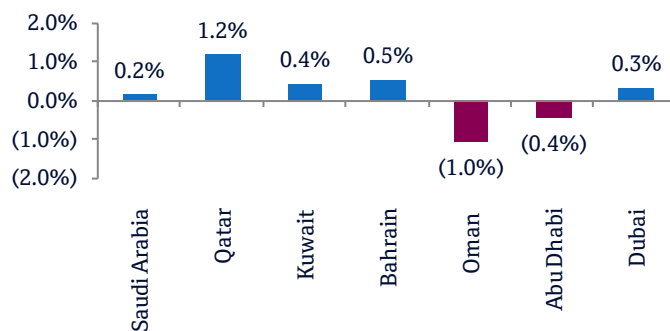


## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,565.74	0.9	0.9	3.2
Silver/Ounce	18.15	0.5	0.5	1.7
Crude Oil (Brent)/Barrel (FM Future)	68.91	0.5	0.5	4.4
Crude Oil (WTI)/Barrel (FM Future)	63.27	0.3	0.3	3.6
Natural Gas (Henry Hub)/MMBtu	2.12	2.9	2.9	1.4
LPG Propane (Arab Gulf)/Ton*	46.75	0.0	0.0	13.3
LPG Butane (Arab Gulf)/Ton	72.00	3.6	3.6	9.9
Euro	1.12	0.3	0.3	(0.1)
Yen	108.37	0.3	0.3	(0.2)
GBP	1.32	0.7	0.7	(0.6)
CHF	1.03	0.5	0.5	(0.0)
AUD	0.69	(0.1)	(0.1)	(1.2)
USD Index	96.67	(0.2)	(0.2)	0.3
RUB	61.82	(0.4)	(0.4)	(0.3)
BRL	0.25	0.1	0.1	(1.0)

Source: Bloomberg (\*Market closed on January 06, 2020)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,364.49	0.1	0.1	0.3
DJ Industrial	28,703.38	0.2	0.2	0.6
S&P 500	3,246.28	0.4	0.4	0.5
NASDAQ 100	9,071.47	0.6	0.6	1.1
STOXX 600	416.63	(0.2)	(0.2)	(0.1)
DAX	13,126.99	(0.5)	(0.5)	(1.1)
FTSE 100	7,575.34	(0.1)	(0.1)	(0.3)
CAC 40	6,013.59	(0.3)	(0.3)	0.3
Nikkei	23,204.86	(1.4)	(1.4)	(1.4)
MSCI EM	1,112.53	(1.0)	(1.0)	(0.2)
SHANGHAI SE Composite	3,083.41	(0.2)	(0.2)	0.9
HANG SENG	28,226.19	(0.7)	(0.7)	0.4
BSE SENSEX	40,676.63	(2.1)	(2.1)	(2.3)
Bovespa	116,877.90	(1.1)	(1.1)	0.0
RTS	1,568.35	0.3	0.3	1.3

Source: Bloomberg (\*\$ adjusted returns)

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