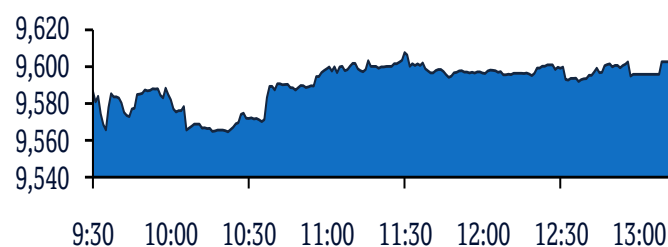


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose marginally to close at 9,603.1. Gains were led by the Industrials and Telecoms indices, gaining 0.7% each. Top gainers were Aamal Company and Dlala Brokerage & Investment Holding Company, rising 9.9% and 4.2%, respectively. Among the top losers, Qatari German Company for Medical Devices fell 5.7%, while Al Khaleej Takaful Insurance Company was down 3.1%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.7% to close at 7,759.5. Gains were led by the Banks and Media & Ent. indices, rising 1.7% and 1.5%, respectively. Basic Chemical Industries rose 10.0%, while Zahrat Al Waha for Trading Company was up 9.9%.

**Dubai:** The DFM Index gained 1.3% to close at 2,183.4. The Banks index rose 2.1%, while the Investment & Financial Services index gained 1.3%. Al Salam Sudan rose 6.4%, while Ajman Bank was up 3.1%.

**Abu Dhabi:** The ADX General Index gained 0.6% to close at 4,413.3. The Real Estate index rose 1.0%, while the Banks index gained 0.9%. National Marine Dredging Company rose 14.4%, while Sudatel Telecom. Group Co. Ltd. was up 13.6%.

**Kuwait:** The Kuwait All Share Index gained 1.5% to close at 5,202.6. The Financial Services index rose 2.7%, while the Telecommunications index gained 2.0%. Abyaar Real Estate Dev. rose 13.9%, while Egypt Kuwait Holding was up 10.0%.

**Oman:** The MSM 30 Index fell 0.1% to close at 3,560.3. The Industrial index declined 0.2%, while the Financial index fell marginally. Al Madina Investment Company declined 4.2%, while Al Kamil Power Company was down 2.9%.

**Bahrain:** The BHB Index gained 1.3% to close at 1,328.4. The Commercial Banks index rose 2.3%, while the Industrial index gained 0.6%. Ahli United Bank and Al Salam Bank-Bahrain were up 4.2% each.

Market Indicators	16 Aug 20	13 Aug 20	%Chg.
Value Traded (QR mn)	389.3	548.2	(29.0)
Exch. Market Cap. (QR mn)	560,232.4	559,343.7	0.2
Volume (mn)	222.0	250.8	(11.5)
Number of Transactions	8,398	10,311	(18.6)
Companies Traded	45	44	2.3
Market Breadth	16:25	27:15	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	18,461.57	0.0	0.0	(3.8)	15.6
All Share Index	2,991.00	0.0	0.0	(3.5)	16.5
Banks	4,104.50	(0.1)	(0.1)	(2.7)	13.7
Industrials	2,810.26	0.7	0.7	(4.2)	24.4
Transportation	2,893.80	0.1	0.1	13.2	13.7
Real Estate	1,610.34	0.1	0.1	2.9	13.2
Insurance	2,033.28	(0.5)	(0.5)	(25.6)	32.9
Telecoms	908.53	0.7	0.7	1.5	15.3
Consumer	7,723.12	(0.3)	(0.3)	(10.7)	24.2
Al Rayan Islamic Index	3,928.33	0.0	0.0	(0.6)	18.3

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ahli United Bank	Bahrain	0.69	4.2	1,530.7	(27.4)
Ahli United Bank	Kuwait	0.26	3.9	655.9	(18.9)
Banque Saudi Fransi	Saudi Arabia	33.85	3.8	238.7	(10.7)
Mabane Co.	Kuwait	0.67	3.5	1,691.1	(21.3)
Riyad Bank	Saudi Arabia	17.92	3.3	3,916.7	(25.3)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Qatar Int. Islamic Bank	Qatar	8.45	(1.6)	877.6	(12.7)
Saudi Cement Co.	Saudi Arabia	55.60	(1.2)	681.6	(20.7)
Jarir Marketing Co.	Saudi Arabia	167.00	(1.2)	386.9	0.8
National Shipping Co.	Saudi Arabia	37.70	(1.2)	3,675.8	(5.8)
Bank Nizwa	Oman	0.10	(1.0)	1,164.1	3.2

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%
Qatari German Co for Med. Dev.	2.55	(5.7)	24,579.3	338.1
Al Khaleej Takaful Insurance Co.	1.88	(3.1)	6,397.8	(6.1)
Medicare Group	7.35	(1.9)	1,379.3	(13.0)
Doha Insurance Group	1.08	(1.8)	485.7	(10.0)
Qatari Investors Group	2.25	(1.8)	981.8	25.4

QSE Top Value Trades	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Dev.	2.55	(5.7)	62,870.5	338.1
Aamal Company	0.84	9.9	44,267.6	3.4
Dlala Brokerage & Inv. Holding Co	2.00	4.2	25,202.6	227.3
Industries Qatar	8.90	1.1	24,029.3	(13.4)
Qatar Gas Transport Co. Ltd.	2.80	(0.1)	22,988.8	17.1

Source: Bloomberg (\* in QR)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Aamal Company	0.84	9.9	55,084.3	3.4
Dlala Brokerage & Inv. Holding Co.	2.00	4.2	12,840.2	227.3
Mannai Corporation	2.86	2.2	11.0	(7.1)
Gulf Warehousing Company	5.45	1.2	778.6	(0.5)
Industries Qatar	8.90	1.1	2,716.9	(13.4)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Aamal Company	0.84	9.9	55,084.3	3.4
Qatari German Co for Med. Devices	2.55	(5.7)	24,579.3	338.1
Salam International Inv. Ltd.	0.47	0.6	19,535.0	(9.3)
Investment Holding Group	0.52	0.2	18,409.0	(8.3)
Dlala Brokerage & Inv. Holding Co.	2.00	4.2	12,840.2	227.3

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,603.06	0.0	0.0	2.5	(7.9)	106.26	152,887.4	15.6	1.4	4.2
Dubai	2,183.37	1.3	1.3	6.5	(21.0)	68.05	83,348.6	7.8	0.8	4.4
Abu Dhabi	4,413.27	0.6	0.6	2.5	(13.1)	123.49	177,190.5	16.1	1.3	5.5
Saudi Arabia	7,759.48	0.7	0.7	4.0	(7.5)	1,727.33	2,268,977.3	25.3	1.9	3.4
Kuwait	5,202.64	1.5	1.5	4.7	(17.2)	124.86	96,951.6	19.8	1.2	3.8
Oman	3,560.28	(0.1)	(0.1)	(0.2)	(10.6)	3.46	16,083.1	5.1	0.4	13.9
Bahrain	1,328.36	1.3	1.3	2.9	(17.5)	4.94	20,157.1	12.4	0.8	5.4

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 marginally to close at 9,603.1. The Industrials and Telecoms indices led the gains. The index rose on the back of buying support from Arab and Foreign shareholders despite selling pressure from Qatari and GCC shareholders.
- Aamal Company and Dlala Brokerage & Investment Holding Company were the top gainers, rising 9.9% and 4.2%, respectively. Among the top losers, Qatari German Company for Medical Devices fell 5.7%, while Al Khaleej Takaful Insurance Company was down 3.1%.
- Volume of shares traded on Sunday fell by 11.5% to 222.0mn from 250.8mn on Thursday. Further, as compared to the 30-day moving average of 302.1mn, volume for the day was 26.5% lower. Aamal Company and Qatari German Company for Medical Devices were the most active stocks, contributing 24.8% and 11.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	46.94%	55.80%	(34,507,054.1)
Qatari Institutions	19.43%	18.05%	5,373,912.3
<b>Qatari</b>	<b>66.37%</b>	<b>73.86%</b>	<b>(29,133,141.8)</b>
GCC Individuals	0.62%	1.82%	(4,690,789.9)
GCC Institutions	1.03%	0.79%	920,255.7
<b>GCC</b>	<b>1.64%</b>	<b>2.61%</b>	<b>(3,770,534.3)</b>
Arab Individuals	13.56%	12.33%	4,799,383.0
<b>Arab</b>	<b>13.56%</b>	<b>12.33%</b>	<b>4,799,383.0</b>
Foreigners Individuals	3.50%	5.13%	(6,329,268.7)
Foreigners Institutions	14.92%	6.07%	34,433,561.8
<b>Foreigners</b>	<b>18.42%</b>	<b>11.20%</b>	<b>28,104,293.1</b>

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

## Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2020	% Change YoY	Operating Profit (mn) 2Q2020	% Change YoY	Net Profit (mn) 2Q2020	% Change YoY
Saudi Paper Manufacturing Co.	Saudi Arabia	SR	142.7	17.1%	17.6	N/A	3.9	N/A
Makkah Construction and Dev. Co.	Saudi Arabia	SR	6.0	-96.0%	(27.0)	N/A	(25.0)	N/A
Savola Group	Saudi Arabia	SR	6,007.1	3.3%	584.6	60.7%	409.6	271.7%
Dr. Sulaiman Al Habib Medical Services Group	Saudi Arabia	SR	1,203.0	4.0%	203.3	24.3%	192.3	14.5%
Saudi Chemical Co.	Saudi Arabia	SR	858.7	10.7%	58.2	18.0%	40.2	30.0%
Arabtec Holding*	Dubai	AED	3,025.5	-28.2%	-	-	(788.4)	N/A
National International Co.#	Kuwait	KD	(408.6)	N/A	-	-	(674.1)	N/A
Manazel Real Estate	Abu Dhabi	AED	193.1	-61.8%	-	-	(98.9)	N/A
Nass Corporation.*	Bahrain	BHD	66.7	-13.5%	-	-	(5.4)	N/A
United Gulf Holding Company*	Bahrain	BHD	64.2	-46.4%	(18.8)	N/A	(31.2)	N/A
Bahrain Ship Repairing & Engineering Company*	Bahrain	BHD	2.6	-29.4%	-	-	0.7	-51.2%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# - Values in Thousands, \*Financial for 6M2020)

## Qatar

- QSE listed firms report QR15.8bn cumulative net profit in 1H2020** – Almost one-in-three listed companies saw improvement in earnings despite the COVID-19 pandemic, as the Qatar Stock Exchange (QSE) reported QR15.8bn cumulative net profit in 1H2020. The transport sector saw earnings growth in the QSE, which otherwise reported 18.75% YoY fall in its cumulative net profits in January-June 2020 compared to 6.32% shrinkage in the corresponding period of 2019, said the figures collated from the QSE website. The insurance sector was overall in the red due to a loss in one of the key constituents. Moreover, consumer goods and industrials sectors were seen major drag in the cumulative net profitability in the review period. During 1H2020, the transport sector's cumulative net earnings grew 4.88% YoY to QR0.96bn but reflecting slowdown from 7.27% expansion in the corresponding period of 2019. The sector has three listed constituents and its net profit constituted 6% of the total net profit of the listed companies compared to 5% the year-ago period. Two among them saw slowdown in earnings growth and one registered improvement. The cumulative net profitability of banks and financial services sector, which has 13 listed entities, declined 8.04% YoY to QR11.28bn against 5.18% growth in the comparable period of 2019. The banking and financial services sector contributed 71% to cumulative net profits in 1H2020 against 62% the year ago period. Five each of the constituents witnessed higher growth in profits and slowdown in earnings; while two turned into black from red in the review period on a yearly basis. The corona virus and the slide in oil prices would make a dent in the net profitability of the banking sector in the GCC for the whole of this year, Moody's, an international credit rating agency had said earlier. The industrials sector, which has 10 listed constituents, witnessed a huge 46.75% YoY contraction in net profitability to QR1.53bn against 38.62% decrease in the year-ago period. The sector contributed 10% to the overall net profitability of the listed entities in the review period compared to 15% in 1H2019. Seven of the constituents saw slowdown in net earnings; while three showed improvements in growth. The consumer goods sector, which has 10 listed entities, witnessed a 63.4% YoY plunge in cumulative net profit to QR0.36bn at the end of June 30 compared to a 2.47% fall in the previous year period. The sector contributed 2% to the overall net profitability in the review period against 5% a year-ago period. While the two witnessed improvement in earnings, four saw deterioration and two moved from black to red in the review period on annual basis. The realty segment, which has four listed entities, saw a 27.09% YoY in net earnings to QR0.85bn during 1H2020 against 23.03% contraction the year-ago period. The sector constituted 5% of the overall net profitability in 1H2020 and 2019. Three saw weaker performance in net earnings and one showed improvement in profitability growth. The telecom sector saw its 1H2020 net profit decline 2.14% to QR0.9bn compared to 24.62% surge the year-ago period. The sector contributed 6% to overall net profit in the review period against 5% in 1H2019. (QSE, Gulf-Times.com)
- Ooredoo opens new Express shop in Al Ruwais** – Ooredoo on Sunday announced that it has further extended its already expansive retail network with the opening of a new Ooredoo Express shop in Al Ruwais. Customers will be able to access all the retail services they expect to find across its network of shops – such as choosing and signing up for new pre- and postpaid packs, buying devices, subscribing to Ooredoo tv and more. They will also find a new Devices section where they will be able "to browse and experience the latest mobile and broadband devices and enjoy great promotions and prices", the company has said in a statement. (Gulf-Times.com)
- World Bank: Qatar's dominant position in gas exports protects it from fluctuations** – World Bank's Regional Director for GCC, Issam Abu Sulaiman, affirmed that the State of Qatar has the best performance among GCC states in the average rate of growth in 2020, noting that Qatar's dominant position in the natural gas export markets protects it from future fluctuations. In an interview with Qatari Lusail newspaper published on Sunday, Abu Sulaiman said that the State of Qatar is recovering in 2021 and is on track to reach 3.6% growth, while expectations indicate that the GCC states will achieve a growth of 2.2%. He also pointed out that the State of Qatar is expected to achieve better performance than GCC state's average rate of growth in 2020. Regarding the growth factors of the Qatari economy, the World Bank's Regional Director explained that the State of Qatar relies significantly on hydrocarbon revenues, just like most of the GCC states. Therefore, natural gas prices will remain the most important economic factor in the short and medium term. He noted that at the long term, the success of structural reforms and strategic investments will determine whether or not Qatar can diversify its economy, pointing out that the main non-oil sectors in Qatar such as public administration, defense, financial sectors, insurance and real estate have positively contributed to growth. He added that the State of Qatar has the ability to access international bond market, after it issued bonds worth \$10bn, one year after it sold international bonds worth \$12bn in March 2019, stressing that the State of Qatar maintains a large financial space through which it can address the coronavirus (COVID-19) pandemic. (Gulf-Times.com)
- Ashghal to hold forum to back local suppliers next month** – As part of its efforts to support local products through its projects, the Public Works Authority (Ashghal) will hold 'Supporting Local Manufacturers Forum' in September, an official press statement said. The forum will see the participation of Ashghal's international and local contractors that are implementing various projects in addition to the qualified local factories. The forum will provide an important opportunity to the new and the qualified Qatari factories to learn about new Ashghal projects and the needed materials. According to the statement, the forum is aimed at encouraging Qatari manufacturers and allowing them to participate effectively in roads and infrastructure development, building and drainage projects and treatment sewerage stations along with expressway and beautification projects by Ashghal. Also, the forum aims to encourage Qatari investors to establish new local factories as part of the country's efforts to increase reliance on national products. "And it will provide an overview on Ashghal's initiatives in the field of supporting local products and Qatari manufacturers as well as a

comprehensive overview of the locally manufactured materials that will be used to implement a number of new Ashghal projects in the coming years and the quantities required to be supplied from these materials, including road lighting poles, drainage pipes, precast manholes, bitumen, diesel, directional signs, thermal insulating materials, traffic safety materials and other items." (Gulf-Times.com)

### International

- **Trump says looking at pressuring other Chinese companies after ByteDance** – US President Donald Trump said on Saturday he could exert pressure on more Chinese companies such as technology giant Alibaba after he moved to ban TikTok. Asked at a news conference whether there were other particular China-owned companies he was considering a ban on, such as Alibaba, Trump replied: “Well, we’re looking at other things, yes.” Trump has been piling pressure on Chinese-owned companies, such as by vowing to ban short-video app TikTok from the US. The US ordered its Chinese owner ByteDance on Friday to divest the US operations of TikTok within 90 days, the latest effort to ramp up pressure over concerns about the safety of the personal data it handles. Trump, who has made changing the US-China trade relationship a central theme of his presidency, has been sharply critical of China while also praising its purchases of agriculture products such as soybeans and corn as part of a trade agreement reached late last year. (Reuters)
- **British trade minister pledges to fight 'unfair' US tariffs** – British Trade Secretary Liz Truss pledged to fight US tariffs on Scotch whisky, calling them “unacceptable and unfair” in an op-ed in the Telegraph on Sunday. The US government said last week it would maintain 15% tariffs on Airbus aircraft and 25% tariffs on other European goods as part of a long-running trade dispute, although it held off adding some extra tariffs as it had threatened. Britain had said it would step up demands for the US to drop tariffs on goods such as single malt Scotch whisky after the industry warned a decision by Washington to retain the levy was putting its future at risk. Truss said she would meet with her US counterpart, Robert Lighthizer, in the coming weeks, as round four of US negotiations begin, where she will address the existing tariffs on single malt Scotch and a host of other products. “On Japan, we have consensus on the major elements of a deal that will go beyond the agreement the EU has with Japan”, she added, reaffirming earlier reports that both countries seek to agree on a trade deal by the end of August. Britain, which left the European Union (EU) in January, is seeking to clinch a trade agreement with Japan based on the 2019 EU-Japan agreement by the end of the year, when Britain’s no-change transition arrangement with the EU will expire. (Reuters)
- **Rightmove: British home sales hit record after lockdown** – Britons bought and sold a record number of homes between mid July and early August as pent-up demand from the coronavirus lockdown and a desire to leave London bucked the usual summer slowdown, industry data showed on Monday. Property website Rightmove, which says it is used by 90% of British estate agents, reported the highest number of home sales agreed since it began tracking the data more than 10 years ago, with transactions more than 20% higher than the previous record. The most recent figures from the Bank of England - which cover June, before July’s announcement of a tax break on moving home - showed a sharp rebound in demand for mortgages, but fewer loans were approved than before the pandemic. Average asking prices for August - based on data collected from July 12 to August 8 - were 4.6% higher than a year earlier as the normal summer softening in demand failed to materialize. Only in London was there the typical 2% monthly fall in asking prices, with prices up almost everywhere else in Britain other than London’s commuter belt. Hamptons International, a chain of estate agents, said private-sector rents in inner London were 8% lower in July than a year ago as a collapse in foreign tourism and corporate relocation meant property that had previously been rented out short-term became available to long-term tenants. Estate agents also told Rightmove that buyers had been given extra impetus to move by the temporary exemption from property purchase taxes for homes costing up to 500,000 pounds (\$654,650) announced in July by Finance Minister Rishi Sunak. However, demand was up across the board, not just for homes that benefited directly from the tax break. (Reuters)
- **Japan's economy shrinks at record pace as pandemic wipes out 'Abenomics' gains** – Japan was hit by its biggest economic contraction on record in the second quarter as the coronavirus pandemic crushed consumption and exports, keeping policymakers under pressure for bolder action to prevent a deeper recession. The third straight quarter of declines knocked the size of real gross domestic product (GDP) to decade-low levels, wiping out the benefits brought by Prime Minister Shinzo Abe’s “Abenomics” stimulus policies deployed in late 2012. While the economy is emerging from the doldrums after lockdowns were lifted in late May, many analysts expect any rebound in the current quarter to be modest as a renewed rise in infections keep consumers’ purse-strings tight. The world’s third-largest economy shrank an annualized 27.8% in April-June, government data showed on Monday, marking the biggest decline since comparable data became available in 1980 and slightly bigger than a median market forecast for a 27.2% drop. While the contraction was smaller than a 32.9% decrease in the US, it was much bigger than a 17.8% fall Japan suffered in the first quarter of 2009, when the collapse of Lehman Brothers jolted global financial markets. The size of Japan’s real GDP shrank to 485tn Yen, the lowest since April-June 2011, when Japan was still suffering from two decades of deflation and economic stagnation. (Reuters)
- **Japan's economy suffers record 27.8% contraction in April-June** – Japan’s economy shrank an annualized 27.8% in April-June to mark the sharpest contraction on record, government data showed on Monday, underscoring the pain the COVID-19 pandemic inflicted on the world’s third-largest economy. The preliminary reading for second-quarter gross domestic product (GDP) compared with economists’ median estimate of a 27.2% decline, the data showed. It was the third straight quarter of contraction. On a QoQ basis, GDP shrank 7.8% in April-June, compared with the median forecast for a 7.6% decline, the data showed. (Reuters)
- **Japan's economy minister vows to take 'flexible, timely' action to support growth** – Japan’s government will take “flexible, timely” action to support an economy hit by the coronavirus pandemic, Economy Minister Yasutoshi Nishimura said on Monday. “We hope to do our utmost to push Japan’s economy,

which likely bottomed out in April and May, back to a recovery path driven by domestic demand," he told a news conference after the release of April-June gross domestic product data. (Reuters)

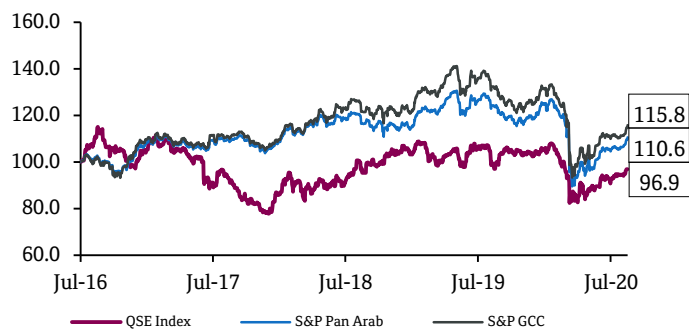
### Regional

- **IATA: Half of aviation jobs in Middle East may be lost** – Job losses in aviation and related industries in the Middle East could grow to 1.5mn, that is more than half of the region's 2.4mn aviation-related employment and 300,000 more than the previous estimate, new data from the International Air Transport Association (IATA) showed. Full-year 2020 traffic is expected to plummet by 56% compared to 2019. Previous estimate was a fall of 51%. The GDP supported by aviation in the region could fall by up to \$85bn (previous estimate was \$66bn), IATA said. "Middle East economies have been brought to their knees by Covid-19. And without air connectivity being re-established, the socio-economic impact is getting worse. Businesses which contribute substantially to the region's GDP and provide thousands of jobs are at risk without these vital connections. For the region's economic recovery, it is imperative that the industry restart safely as soon as possible," IATA's Regional Vice President for Africa and the Middle East, Muhammad Al Bakri said. (Zawya)
- **Saudi inflation jumps to 6.1% after VAT increase** – Saudi Arabia's consumer price index jumped 6.1% in July compared with a year earlier, boosted by a tripling of value-added tax, official data showed on Sunday. The annual inflation rate in June was 0.5%, the smallest increase since January, before the VAT increase to 15% from 5% came into effect on July 1. The jump in annual inflation reflected price increases in most categories, the General Authority for Statistics said. Food and transport were major contributors, rising by 14.6% and 7.3% respectively. Saudi Arabia, the world's biggest oil exporter, said in May that it would triple VAT as it sought to shore up finances hit by the twin shock of low oil prices and the coronavirus pandemic. Chief Economist at Abu Dhabi Commercial Bank, Monica Malik said in a research note that private sector activity is expected to remain soft in the second half of 2020 due to the VAT increase and the impact of higher inflation on consumer spending, compounded by lower government spending and a deterioration in the labor market. "We estimate that a rise in VAT to 15% would raise some 3.5%-4.0% of GDP annually in additional non-oil revenue during normal times and after the initial impact on consumption," Malik said in the note. "However, we expect the additional revenues to be substantially less in 2020 (c.1.0% of GDP) given the pressure we expect on household spending from COVID-19, the fiscal retrenchment and the half year of implementation." (Zawya)
- **Saudi wholesale prices jump 5.1% in July** – Saudi Arabia's Wholesale Price Index (WPI) jumped by 5.1% in July 2020 on a yearly basis, reversing a 2.1% fall recorded during the previous two months. The rise in WPI resulted from higher prices of metal products, machinery and equipment by 12.8%, given their weight in the index, combined with the overall impact of the increase in the value-added tax (VAT) to 15% from 5% on 1 July, as shown by data from the General Authority for Statistics (GaStat). Helping offset the wholesale price inflation were the lower prices of refined petroleum products, which fell by 17.9% yearly last month. Moreover, agricultural and fishery products, up by 17%, contributed the highest increase in wholesale prices over the past twelve months through July. On a monthly basis, the index posted a 7.9% growth in July 2020 after levelling up 0.1% in June, driven by a monthly hike in prices of transport equipment and basic metals by 10.7% and 11%, respectively. (Zawya)
- **Saudi PIF boosts trading team to back opportunistic buying strategy** – Saudi Arabia's main sovereign wealth fund has boosted its trading team to pursue further an aggressive strategy that saw it sell more than a dozen global stocks for short-term profit in the second quarter of 2020. The more than \$300bn Public Investment Fund (PIF) has built a small team of traders to execute its trading strategy who report to its Head of international investments, Turqi Al-Nowaiser, sources said. Last month, PIF hired Maziar Alamouti, a former Head of trading at advisory and wealth management firm Quilter Investors, two sources told Reuters. Alamouti is part of the Public Markets team, which is responsible for further building out the PIF's trading capabilities, one of the sources said. "The market dislocation in H1 has clearly resulted in emerging opportunities; the Q2 filings demonstrate a continuation of this opportunistic equity strategy," sources said. A second source said the head of the PIF, Yasir Al-Rumayyan, and few of his direct reports are making decisions on international equity investments. PIF's trading strategy differs from those of other sovereign wealth funds, which typically maintain their holdings in listed equities to garner long-term returns through dividends and capital gains. (Zawya)
- **Abu Dhabi to merge oil services firms into national champion** – Abu Dhabi is seeking to create a national champion in oil services by merging National Petroleum Construction Co. and local rival National Marine Dredging Company. NPCC's shareholders have proposed the deal. NPCC, ultimately controlled by the Abu Dhabi government through one of its investment vehicles, ADQ, wants to transfer all the firm's share capital to NMDC, according to a statement released on Sunday. The merger would create an entity that had a combined revenue of AED8.9bn last year. "This transaction will create a larger, more diversified and financially flexible national champion," Chief Investment Officer at ADQ and Chairman of Senaat, which is NPCC's main shareholder and itself controlled by ADQ, Khalifa Al Suwaidi said. Abu Dhabi, the oil-rich capital of the UAE, has been merging some companies as it looks to bolster the economy and diversify from hydrocarbon production. Earlier this year, it decided to combine utilities TAQA and ADPower. Follow-on Offering Under the latest proposal, NMDC would issue NPCC shareholders an instrument convertible into 575,000,000 ordinary shares in the combined group upon the closing of the transaction, the statement said. The price at which the instrument would convert into NMDC shares is AED4.40 per share. The offer implies an equity value for NMDC of AED1.1bn, the statement said. NMDC would continue to be listed on the Abu Dhabi Securities Exchange, and would become one of its biggest companies, the statement said. ADQ, which is being advised by Moelis & Co., said it will consider increasing the entity's free float though a follow-on offering in due course. (Bloomberg)
- **Kuwait parliament committee rejects public debt law, says committee head** – The Kuwait parliament's financial and economic committee rejected the proposed public debt law that

would allow the government to borrow KD20bn over 30 years, the committee head said on Sunday. The government and parliament have long been at odds over the law, which would allow Kuwait to tap international debt, but the issue has become more urgent in recent months as the oil-exporting nation has been hit by low crude prices and the COVID-19 pandemic. In the absence of access to debt, the government has been studying various alternatives to add cash to the Treasury. As part of that effort, the panel approved a proposal to halt the annual 10% transfer of revenue to the Future Generations Fund in years when the government runs a deficit. (Zawya, Bloomberg)

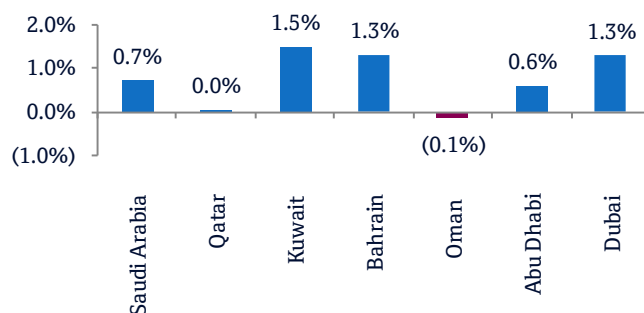
- **Burgan Bank Group reported a net income of KD17.2mn and KD22.7mn respectively for the period 1Q2020 and 1H2020** – Burgan Bank Group reported a net income of KD17.2mn and KD22.7mn respectively for the period 1Q2020 and 1H2020. For the first half of 2020, Burgan Bank's revenue levels continued to be resilient while the reduction in operating expenses across the group reflects prudence in the current environment. Burgan's net income reduced due to higher provisioning in response to the Covid-19 pandemic. The 1H2020 revenue came in lower at KD107.6mn (down only 7.5% compared to 1H2019) due to the fall in interest rates and pandemic-related customer relief measures. The 1H2020 operating expenses reduced to KD46.7mn (improvement of 4.6% compared to 1H2019) due to Group-wide efficiency initiatives. Customer loans grew to KD4,412mn. Customer deposits grew to KD4,263mn. Burgan's capital levels continued to be strong with 1H2020 CET1 ratio of 10.8% and 1H2020 CAR of 16.2%. Burgan continues to be very liquid; Liquidity coverage ratio of 133% and net stable funding ratio of 110% as of 1H2020. (Bloomberg)
- **Warba Bank reported net income of KD2.08mn, a fall of 45% YoY** – Warba Bank reported net income for the first quarter of KD2.08mn, representing a fall of 45% YoY. The 1Q2020 operating revenue came in at KD14.2mn compared to KD14.2mn YoY. The 1Q2020 operating profit came in at KD7.63mn, representing a fall of 17% YoY. (Bloomberg)
- **Oman's oil exports declined 14% in July, ministry says** – Oman exported 14% less oil in July than it did the previous month, the Arab Peninsula nation's Ministry of Oil & Gas said in a statement. The country exported 778,012 bpd last month, shipping most of it to China and the rest to India. Oman produced 671,275 bpd in July, down 1.9% from June. (Bloomberg)
- **Bahrain seen needing more Gulf aid as it is downgraded by Fitch** – Bahrain received its first downgrade in over two years from Fitch Ratings, which said it will likely "require further Gulf backing" in the medium term as the government's finances remain under strain. "This may be contingent on Bahrain enacting further fiscal reforms given that Gulf creditors are themselves facing the need for fiscal consolidation," Fitch analysts including Toby Iles said in a report. Fitch on Friday cut Bahrain's sovereign rating one step to B+, leaving it four levels below investment grade and on par with Egypt, Bolivia and Jamaica. The outlook is stable. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,945.12	(0.4)	(4.4)	28.2
Silver/Ounce	26.45	(3.8)	(6.6)	48.1
Crude Oil (Brent)/Barrel (FM Future)	44.80	(0.4)	0.9	(32.1)
Crude Oil (WTI)/Barrel (FM Future)	42.01	(0.5)	1.9	(31.2)
Natural Gas (Henry Hub)/MMBtu	2.05	0.0	(4.7)	(1.9)
LPG Propane (Arab Gulf)/Ton	49.75	(0.3)	(0.5)	20.6
LPG Butane (Arab Gulf)/Ton	49.00	0.5	4.8	(26.2)
Euro	1.18	0.2	0.5	5.6
Yen	106.60	(0.3)	0.6	(1.9)
GBP	1.31	0.1	0.3	(1.3)
CHF	1.10	0.1	0.4	6.5
AUD	0.72	0.3	0.2	2.1
USD Index	93.10	(0.3)	(0.4)	(3.4)
RUB	72.86	(0.1)	(1.2)	17.5
BRL	0.18	(1.0)	0.3	(25.9)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,384.20	(0.2)	1.2	1.1
DJ Industrial	27,931.02	0.1	1.8	(2.1)
S&P 500	3,372.85	(0.0)	0.6	4.4
NASDAQ 100	11,019.30	(0.2)	0.1	22.8
STOXX 600	368.07	(1.0)	1.9	(6.6)
DAX	12,901.34	(0.5)	2.4	2.9
FTSE 100	6,090.04	(1.4)	1.4	(20.2)
CAC 40	4,962.93	(1.3)	2.2	(12.4)
Nikkei	23,289.36	0.5	3.8	0.7
MSCI EM	1,093.16	(0.3)	0.4	(1.9)
SHANGHAI SE Composite	3,360.10	1.1	0.4	10.4
HANG SENG	25,183.01	(0.2)	2.7	(10.2)
BSE SENSEX	37,877.34	(1.1)	(0.1)	(12.6)
Bovespa	101,353.50	0.0	(1.1)	(34.9)
RTS	1,323.80	(0.2)	4.1	(14.5)

Source: Bloomberg (\*\$ adjusted returns)

## Contacts

### Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

[saugata.sarkar@qnbfs.com.qa](mailto:saugata.sarkar@qnbfs.com.qa)

### Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

[mehmet.aksoy@qnbfs.com.qa](mailto:mehmet.aksoy@qnbfs.com.qa)

### Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

[shahan.keushgerian@qnbfs.com.qa](mailto: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](mailto:zaid.alnafoosi@qnbfs.com.qa)

**Disclaimer and Copyright Notice:** This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNBFS") 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 QNBFS 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. QNBFS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNBFS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNBFS 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 QNBFS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNBFS 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 QNBFS.

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