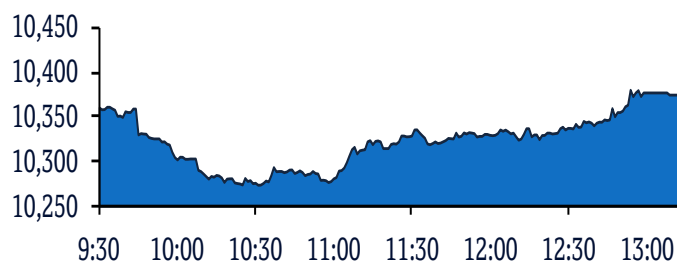


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index declined 0.2% to close at 10,376.1. Losses were led by the Consumer Goods & Services and Real Estate indices, falling 1.5% and 0.8%, respectively. Top losers were Qatar National Cement Company and Qatari Investors Group, falling 3.7% and 3.4%, respectively. Among the top gainers, Qatar Navigation gained 2.2%, while Qatar Islamic Insurance Company was up 2.1%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 1.4% to close at 7,872.7. Gains were led by the Banks and Retailing indices, rising 2.7% and 2.0%, respectively. Saudi Enaya Cooperative Insurance rose 9.9%, while Gulf General Coop. Insurance was up 9.8%.

**Dubai:** The DFM Index gained 0.9% to close at 2,787.7. The Investment & Financial Services index rose 1.4%, while the Real Estate & Construction index rose 1.1%. Deyaar Development rose 10.5%, while Al Salam Bank -Bahrain was up 1.6%.

**Abu Dhabi:** The ADX General Index gained 0.7% to close at 5,135.9. The Telecommunication index rose 1.1%, while the Banks index gained 0.7%. Sharjah Cement & Indus Dev. rose 10.0%, while The National Investor was up 8.8%.

**Kuwait:** The Kuwait All Share Index gained 0.4% to close at 5,774.1. The Oil & Gas index rose 4.7%, while the Consumer Goods index gained 3.2%. Shuaiba Industrial Company rose 17.9%, while Kuwait Foundry Company was up 13.0%.

**Oman:** The MSM 30 Index fell 0.2% to close at 4,007.0. Losses were led by the Services and Financial indices, falling 0.4% and 0.2%, respectively. Vision Insurance fell 7.0%, while Muscat City Desalination was down 4.5%.

**Bahrain:** The BHB Index fell 0.1% to close at 1,525.3. The Industrial index declined 0.4%, while the Commercial Banks index fell 0.1%. Ithmaar Holding declined 3.1%, while Bahrain Duty Free Complex was down 1.3%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Navigation	6.50	2.2	434.0	(1.5)
Qatar Islamic Insurance Company	6.74	2.1	178.0	25.5
Qatar Oman Investment Company	0.52	1.6	7.9	(2.6)
Salam International Inv. Ltd.	0.41	1.2	100.0	(5.3)
Qatar Electricity & Water Co.	15.85	1.1	314.9	(14.3)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Al Khalij Commercial Bank	1.18	(1.7)	5,287.5	2.3
Masraf Al Rayan	3.75	(0.3)	4,631.6	(10.0)
Qatar International Islamic Bank	9.62	(1.7)	3,857.0	45.5
Aamal Company	0.71	0.3	3,764.6	(19.3)
Mesaieed Petrochemical Holding	2.71	(1.5)	3,577.5	80.3

Market Indicators	22 Oct 19	21 Oct 19	%Chg.
Value Traded (QR mn)	230.7	191.9	20.2
Exch. Market Cap. (QR mn)	575,529.9	575,288.4	0.0
Volume (mn)	57.4	55.6	3.3
Number of Transactions	5,371	4,564	17.7
Companies Traded	43	46	(6.5)
Market Breadth	12:27	15:27	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,092.96	(0.2)	(0.5)	5.2	14.8
All Share Index	3,065.28	(0.1)	(0.4)	(0.4)	14.9
Banks	4,075.60	0.3	(0.1)	6.4	14.0
Industrials	3,060.31	(0.5)	(0.7)	(4.8)	18.2
Transportation	2,648.90	0.7	0.4	28.6	14.2
Real Estate	1,487.07	(0.8)	0.1	(32.0)	10.5
Insurance	2,859.68	0.2	(0.1)	(4.9)	16.2
Telecoms	927.23	(0.2)	(1.3)	(6.1)	15.9
Consumer	8,352.13	(1.5)	(1.7)	23.7	18.5
Al Rayan Islamic Index	3,945.56	(0.8)	(1.2)	1.6	15.5

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Alinma Bank	Saudi Arabia	21.50	4.9	18,685.2	(6.4)
Bank Al Bilad	Saudi Arabia	25.80	4.5	1,863.2	18.3
Riyad Bank	Saudi Arabia	22.00	3.5	3,224.6	11.0
Nat. Commercial Bank	Saudi Arabia	44.80	3.1	3,154.9	(6.4)
Al Rajhi Bank	Saudi Arabia	61.70	2.8	8,384.0	8.5

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Ind. Inv. Group	Saudi Arabia	21.90	(2.6)	952.0	(4.3)
Saudi Arabian Fertilizer	Saudi Arabia	79.20	(2.5)	680.6	2.7
Sembcorp Salalah Power.	Oman	0.12	(2.4)	168.5	(31.1)
Qatar Fuel	Qatar	22.07	(1.9)	440.2	33.0
Qatar Int. Islamic Bank	Qatar	9.62	(1.7)	3,857.0	45.5

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 National Cement Company	5.79	(3.7)	745.6	(2.7)
Qatari Investors Group	1.70	(3.4)	2,183.7	(38.9)
Gulf International Services	1.69	(2.3)	354.9	(0.6)
Djala Brokerage & Inv. Holding	0.65	(2.1)	179.0	(35.4)
Qatar Fuel Company	22.07	(1.9)	440.2	33.0

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.72	1.1	45,572.7	1.1
Qatar International Islamic Bank	9.62	(1.7)	36,936.4	45.5
Masraf Al Rayan	3.75	(0.3)	17,248.9	(10.0)
Ooredoo	7.32	0.0	15,164.5	(2.4)
Qatar Islamic Bank	15.30	(0.2)	11,215.0	0.7

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*	10,376.13	(0.2)	(0.5)	0.1	0.7	62.99	158,098.1	14.8	1.6	4.1
Dubai	2,787.72	0.9	0.3	0.2	10.2	43.03	100,445.8	11.7	1.0	4.4
Abu Dhabi	5,135.94	0.7	0.8	1.6	4.5	34.46	142,386.2	15.4	1.5	4.9
Saudi Arabia	7,872.74	1.4	3.1	(2.7)	0.6	856.25	493,796.6	19.7	1.7	3.8
Kuwait	5,774.06	0.4	0.1	1.7	13.7	95.71	108,092.6	14.3	1.4	3.7
Oman	4,007.01	(0.2)	0.0	(0.3)	(7.3)	1.42	17,415.1	8.0	0.8	6.8
Bahrain	1,525.30	(0.1)	(0.1)	0.6	14.1	1.60	23,818.6	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 0.2% to close at 10,376.1. The Consumer Goods & Services and Real Estate indices led the losses. The index fell on the back of selling pressure from Qatari and GCC shareholders despite buying support from non-Qatari shareholders.
- Qatar National Cement Company and Qatari Investors Group were the top losers, falling 3.7% and 3.4%, respectively. Among the top gainers, Qatar Navigation gained 2.2%, while Qatar Islamic Insurance Company was up 2.1%.
- Volume of shares traded on Tuesday rose by 3.3% to 57.4mn from 55.6mn on Monday. However, as compared to the 30-day moving average of 92.6mn, volume for the day was 38.0% lower. Al Khalij Commercial Bank and Masraf Al Rayan were the most active stocks, contributing 9.2% and 8.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	26.36%	26.77%	(936,001.49)
Qatari Institutions	13.48%	20.04%	(15,141,655.91)
<b>Qatari</b>	<b>39.84%</b>	<b>46.81%</b>	<b>(16,077,657.40)</b>
GCC Individuals	0.83%	16.38%	(35,888,776.12)
GCC Institutions	0.45%	0.61%	(367,133.64)
<b>GCC</b>	<b>1.28%</b>	<b>16.99%</b>	<b>(36,255,909.76)</b>
Non-Qatari Individuals	9.82%	7.60%	5,129,644.02
Non-Qatari Institutions	49.06%	28.60%	47,203,923.14
<b>Non-Qatari</b>	<b>58.88%</b>	<b>36.20%</b>	<b>52,333,567.15</b>

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

## Ratings, Earnings Releases and Earnings Calendar

### Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Buruj Cooperative Insurance Co.	Moody's	Saudi Arabia	LTR	-	Baa2	-	-	-

Source: News reports, Bloomberg (\* LTR – Long Term Rating)

### Earnings Releases

Company	Market	Currency	Revenue (mn) 3Q2019	% Change YoY	Operating Profit (mn) 3Q2019	% Change YoY	Net Profit (mn) 3Q2019	% Change YoY
Saudi Arabian Mining Co.	Saudi Arabia	SR	4,298.7	26.6%	269.4	-72.3%	(92.0)	N/A
Sahara International Petrochem.	Saudi Arabia	SR	1,402.0	4.8%	177.0	-46.0%	111.1	-38.4%
Ataa Educational Co.*	Saudi Arabia	SR	320.6	-1.4%	95.4	1.1%	82.7	-5.9%
Saudi Telecom Co.	Saudi Arabia	SR	14,114.0	6.0%	3,328.0	2.8%	2,746.0	3.9%
Northern Region Cement Co.	Saudi Arabia	SR	194.7	96.5%	37.7	111.6%	26.2	425.6%
Saudi Arabian Fertilizer Co.	Saudi Arabia	SR	909.7	-9.8%	363.7	-24.4%	414.2	-20.7%
Thob Al Aseel Co.	Saudi Arabia	SR	79.6	30.1%	9.1	106.6%	5.2	201.2%
BH Mubasher	Dubai	AED	6.0	35.3%	-	-	0.1	N/A
Takaful International Company*	Bahrain	BHD	-	-	-	-	0.5	4.7%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (\*Financial for 9M2019)

### Earnings Calendar

Tickers	Company Name	Date of reporting 3Q2019 results	No. of days remaining	Status
QEWS	Qatar Electricity & Water Company	23-Oct-19	0	Due
MRDS	Mazaya Qatar Real Estate Development	23-Oct-19	0	Due
QAMC	Qatar Aluminum Manufacturing Company	23-Oct-19	0	Due
UDCD	United Development Company	23-Oct-19	0	Due
DHBK	Doha Bank	23-Oct-19	0	Due
IHGS	Islamic Holding Group	24-Oct-19	1	Due
IQCD	Industries Qatar	24-Oct-19	1	Due
NLCS	Alijarah Holding	24-Oct-19	1	Due
QGRI	Qatar General Insurance & Reinsurance Company	24-Oct-19	1	Due
QIIK	Qatar International Islamic Bank	24-Oct-19	1	Due
SIIS	Salam International Investment Limited	24-Oct-19	1	Due
WDAM	Widam Food Company	27-Oct-19	4	Due
QGMD	Qatari German Company for Medical Devices	27-Oct-19	4	Due
DBIS	Dlala Brokerage & Investment Holding Company	27-Oct-19	4	Due
QCFS	Qatar Cinema & Film Distribution Company	27-Oct-19	4	Due
MERS	Al Meera Consumer Goods Company	27-Oct-19	4	Due
AKHI	Al Khaleej Takaful Insurance Company	27-Oct-19	4	Due
MARK	Masraf Al Rayan	27-Oct-19	4	Due

Tickers	Company Name	Date of reporting 3Q2019 results	No. of days remaining	Status
QIGD	Qatari Investors Group	27-Oct-19	4	Due
QATI	Qatar Insurance Company	28-Oct-19	5	Due
BRES	Barwa Real Estate Company	28-Oct-19	5	Due
IGRD	Investment Holding Group	28-Oct-19	5	Due
VFQS	Vodafone Qatar	28-Oct-19	5	Due
QNNS	Qatar Navigation (Milaha)	28-Oct-19	5	Due
MPHC	Mesaieed Petrochemical Holding Company	28-Oct-19	5	Due
MCCS	Mannai Corporation	28-Oct-19	5	Due
QFBQ	Qatar First Bank	29-Oct-19	6	Due
ZHCD	Zad Holding Company	29-Oct-19	6	Due
GISS	Gulf International Services	29-Oct-19	6	Due
QISI	Qatar Islamic Insurance Group	29-Oct-19	6	Due
DOHI	Doha Insurance Group	29-Oct-19	6	Due
ORDS	Ooredoo	29-Oct-19	6	Due
AHCS	Aamal Company	30-Oct-19	7	Due
QOIS	Qatar Oman Investment Company	30-Oct-19	7	Due
QIMD	Qatar Industrial Manufacturing Company	30-Oct-19	7	Due

Source: QSE

## News

### Qatar

- CBQK's bottom line rises 40.9% YoY and 13.3% QoQ in 3Q2019, beating our estimate** – The Commercial Bank's (CBQK) net profit rose 40.9% YoY (+13.3% QoQ) to QR569.9mn in 3Q2019, beating our estimate of QR500.9mn (variation of +13.8%). Net interest income increased 24.3% YoY and 13.1% QoQ in 3Q2019 to QR721.0mn. The company's net operating income came in at QR1,006.4mn in 3Q2019, which represents an increase of 21.1% YoY (+6.3% QoQ). The bank's total assets stood at QR145.7bn at the end of September 30, 2019, up 5.0% YoY (+3.1% QoQ). Loans and advances to customers were QR89.1bn, registering a rise of 3.8% YoY (+5.0% QoQ) at the end of September 30, 2019. Customer deposits declined 1.4% YoY and 3.4% QoQ to reach QR74.3bn at the end of September 30, 2019. The earnings per share amounted to QR0.14 in 3Q2019 as compared to QR0.10 in 3Q2018. Higher interest and fee incomes as well as better cost management helped CBQK's nine-month net profit jump 19% YoY to QR1.5bn. Net interest earnings grew 2% to QR1.94bn in the first nine months ended September 30, 2019 with net interest margin improving to 2.3% compared to 2.2% in January-September 2018, mainly on asset book increase with higher yielding assets. Non-interest income expanded 21% to QR914mn due to increase in net fee and commission income, foreign exchange earnings and income from investment securities. Total operating costs were tightly managed at a group level, down 8% to QR824.1mn, mainly driven down by lower staff and administrative expenses. Cost-to-income ratio was 28.9% at the end of nine months ended September 30, 2019 compared to 33.5% in the year ago period. CBQK's Chairman, Sheikh Abdulla bin Ali bin Jabor Al Thani said, "Qatar continues to strengthen its position as a leading investment destination within the Middle East region. We believe this trend will accelerate as the government introduces new reforms designed to enhance Qatar's attractiveness to entrepreneurs and international businesses. As a leading private bank in Qatar, The Commercial Bank plays an important role in supporting these government initiatives." Joseph Abraham, The

Commercial Bank group Chief Executive, said the improvement in profitability was largely on operating income combined with a sustained focus on careful cost management. The lender's consolidated operating income grew more than 7% to QR2.85bn at the end of September 30, 2019. The non-performing loan (NPL) ratio has reduced to 4.9% at the end of September 2019 against 5.5% in the year-ago period. The loan coverage ratio has increased to 95.2% against 83.6% in the same period 2018. The group's net provisions were down 1% to QR625mn in the review period. Abraham said, "Despite the low interest rate environment globally, we increased NIMs to 2.3% for the nine months ended September 30, 2019 compared to 2.2% in the same period 2018, and NII is higher by 1.6% compared to last year. This is due to a combination of carefully managing cost of funds, an increase in low cost deposits and actively managing asset yield through an increase in high yielding assets." (QNB FS Research, Gulf-Times.com)

- CBQK to hold Investors Relation Conference Call on October 23** – The Commercial Bank (CBQK) announced that Investors Relation Conference Call will be held on October 23, 2019 to discuss financial results for 3Q2019. (QSE)
- QNB Group announces financing of Baladna IPO subscriptions** – QNB Group has announced the financing of subscriptions to the Initial Public Offering (IPO) of Baladna. The bank will finance 65% of the total value of shares that Qatari QNB Group customers wish to purchase, as per certain set conditions. Customers can now complete the registration and subscription to the IPO with a simple process by visiting qnb.com/IPO available through the bank's website and mobile banking services. Through this service, customers can now subscribe easily to IPO by using QNB Internet and Mobile Banking before the opening or during IPO for themselves, or on behalf of their relatives and children without the need to visit branches. (Gulf-Times.com)
- QATI holds extraordinary general assembly meeting** – Qatar Insurance Company (QATI) yesterday held its extraordinary general assembly meeting wherein shareholders approved

amendments to three of its Articles of Association. The meeting, which was presided over by Abdulla bin Khalifa Al-Attiyah, Deputy Chairman of QATI, made amendments to Articles 6, 36 and 41. Hussain Ibrahim Alfardan, board member, was also present. (Gulf-Times.com)

- **Ooredoo announces major upgrade of network** – Ooredoo announced an exciting upgrade program for its network, in line with the significant growth that our beloved Qatar has witnessed lately in various fields and to ensure offering the most advanced services to all residents, including future 5G use cases, in partnership with global mobile giant Ericsson. The telecommunications leader announced it is working with industry giant Ericsson to upgrade existing network. The upgrade, which is being rolled out over a period of several weeks, will bring new levels of innovation to healthcare, education and industry as a key driver behind the ambitious 5G expansion plans, with Ericsson being chosen as a partner thanks to its long-established position as market leader and technology pioneer. Ooredoo will leverage Ericsson's industry-leading Ericsson Radio System, 5G New Radio solutions and its 10 Gbps microwave network to fully digitally transform and modernize its existing mobile network in order to ensure it is fully prepared to introduce the latest technologies in line with Qatar National Vision 2030 and ahead of 2022's events. (Gulf-Times.com)
- **Argentina awards offshore exploration license to Qatar Petroleum, Exxon** – Energy Secretariat awards eight-year permit to JV between Exxon and Qatar Petroleum, according to emailed statement. Secretariat will award seven further permits in the next few days. The final awarding of permits is last step in a tender process that saw companies win the right to explore 18 areas in Argentine Atlantic seas. (Bloomberg)
- **Government and public sector deposits rise to QR266.5bn in September** – Qatar Central Bank (QCB) issued its consolidated balance sheet of the banks for September 2019. An analysis of the figures showed that the government and the public sector deposits rose in September to QR266.5bn, while their loans fell to QR284.5bn. The Government and the public Sector Deposits in September rose by QR14.1bn to QR266.5bn. Total deposits were distributed between QR77.7bn for the government, QR162.8bn for the government institutions, and QR26bn for the semi-government institutions in which the government share is 50% or more and less than 100%. On the other hand, the total government and public sector loans from local banks decreased by about QR3.1bn to QR284.5bn. The total public debit aggregate including government, government and semi-government institutions in addition to bills, bonds and Sukuk, increased by about QR3.2bn to the level of QR447.7bn. Total private sector deposits with banks increased at the end of September by about QR4.4bn above its similar value at the end of August to reach QR355.6bn. The total loans credited by banks to the local private sector increased by QR7.4bn to reach QR620.6bn. On the asset side, commercial banks' investment in securities outside Qatar rose by about QR1bn to QR20.1bn. Its assets with banks outside Qatar rose by about QR12.7bn to QR81.6bn. Local banks loans abroad dropped by about QR1bn to QR76.7bn, while local banks' investments in foreign companies

rose by QR0.1bn to QR29.3bn, and their other assets abroad decreased by QR0.3bn to QR3.8bn. (Peninsula Qatar)

- **Expansion to help HIA handle 60mn passengers a year** – Hamad International Airport (HIA) is all set for a second massive expansion, which will see annual passenger capacity soar to 60mn and construction of a giant 10,000 indoor tropical garden as well as a 268 square meters water feature. Moreover, the expansion – which will also see the construction of a new cargo terminal that will increase capacity handled to an estimated 3.2mn tons per year – comes as part of Qatar's well calibrated strategy to transform HIA into 'destination in its own right, than just a gateway'. These were disclosed by Qatar Airways Group' CEO, HE Akbar Al-Baker at the eighth edition of Cityscape Qatar 2019, which got underway here on Tuesday. He said, "The expansion of Hamad International Airport is a vital part of the future success of the Qatar Airways Group, and of course of the country's preparations to host the 2022 World Cup and beyond. It is also a strong sign that Qatar's economy is robust and acts as a further economic stimulus, providing excellent opportunities for local and international contractors." The second phase of HIA's expansion comprises twin phases with the first phase of the current expansion comprising the central concourse linking concourses D and E. (Gulf-Times.com)
- **Qatar Airways to take record delivery of 40 planes in 2020** – Qatar Airways, which on average receives an aircraft in 10 days, is set to take delivery of 40 airplanes next year, a global record in terms of delivery of maximum numbers by any carrier in any calendar year. This was disclosed by Qatar Airways Group's CEO, HE Akbar Al-Baker at a function to announce the expansion of Hamad International Airport (HIA). Up to now, the country's national carrier has been getting on an average around 35 airplanes a year, which itself was high, he said. Stressing that taking airplanes at this very high rate does not mean that it is parking them, Al-Baker said, Qatar Airways has the highest utilization among any full service scheduled carriers in the world. Airplane utilization is a key performance indicator for airline operations and helps in reducing costs per seat-mile. Although the company has netted losses, he said higher efficiency and revenue growth provide cushion. Due to the blockade, Al-Baker said, "We are on average flying 25 minutes more for every 650 departure and arrivals a day and it will reflect the operational costs." (Gulf-Times.com)
- **Al-Kuwari: Real estate transaction volume jumps 20% in 1Q2019** – Terming Qatar's real estate market as buyer-friendly, Minister of Commerce and Industry HE Ali bin Ahmed Al-Kuwari said the prices in 2019 were becoming more competitive, prompting buyer demand for higher quality. The real estate transaction volume in Qatar in the first quarter of 2019 jumped 20% from that in the same period last year, the Minister said after inaugurating the Cityscape Qatar real estate exhibition in Doha on Tuesday. Around 3,000 apartments and villas have come in multiple areas in Qatar in the first quarter of this year, the Minister said, pegging the supply in the residential property market during the period at 293,000 units. Around 10,000 new units are expected to be completed this year with 67% of them being in Lusail and The Pearl, the Minister added. (Qatar Tribune)



- **New cruise passenger terminal inaugurated at Doha Port** – A new cruise passenger terminal was inaugurated at Doha Port, just as thousands of passengers disembarked from the megaship Mein Schiff 5, ushering in Qatar's fourth and largest cruise tourism season. Spread over 6000 square meters, the new facility will act as a temporary terminal for the next two seasons until the completion of Doha Port's expansion plan, due in 2022. Mein Schiff 5 is the first of 74 ships expected this season which equates to a 66% increase in the number of ships from last season. HE Minister of Transport and Communications Jassim bin Saif Al Sulaiti explained that the opening of the new temporary terminal in Doha Port will support the country's strategy to develop cruise tourism; adding, "Doha Port is playing a key role in reinforcing Qatar's position as an attractive tourist destination through securing and receiving international cruise ships, as well as providing all the facilities necessary for the growth of a sector that is considered a key contributor to the economic diversity pursued by Qatar National Vision 2030." (Peninsula Qatar)
- **Turkey targets over \$1.1bn exports to Qatar by year-end** – Turkey aims to further increase its exports to the Qatari market by year-end, and targets to exceed the \$1.1bn worth of Turkish exports to Qatar last year. Turkish exports to Qatar have been increasing significantly, with only \$435mn Turkish exports to Qatar recorded in 2016. Total trade between Qatar and Turkey also increased by 14% to \$2.3bn in 2018, compared to the previous year, Turkish Ambassador to Qatar Fikret Ozer said. To date, there are over 200 Turkish companies operating in Qatar. Ozer added that Turkish construction projects in Qatar are now valued at \$16bn, while Qatari investments in Turkey have now reached around \$22bn. (Peninsula Qatar)

#### **International**

- **US existing home sales drop more than expected in September** – The US home sales fell more than expected in September as the market continues to struggle with a dearth of properties for sale, especially for cheaper homes. The National Association of Realtors stated on Tuesday that existing home sales fell 2.2% to a seasonally adjusted annual rate of 5.38mn units last month, reversing two straight months of gains. August's sales pace was upwardly revised to 5.50mn units. Economists polled by Reuters had forecasted existing home sales declining 0.7% to 5.45mn units. The 30-year fixed mortgage rate has dropped more than 125 basis points since last November's peak to an average of 3.69%, according to data from mortgage finance agency Freddie Mac. There were 1.83mn homes in the market last month, a decline of 2.7% compared to a year ago. It was the fourth consecutive month of YoY inventory declines. Data last week showed homebuilding tumbled from a more than 12-year high in September, but single-family home construction rose for a fourth straight month. The median existing house price increased 5.9% from a year ago to \$272,100 in September, the strongest price appreciation since January 2018. It was the 91st consecutive month of YoY price gains. (Reuters)
- **ELFA: US business borrowing for equipment rises 18% in September** – The US companies' borrowing to spend on capital investments rose 18% in September from a year earlier, the Equipment Leasing and Finance Association (ELFA) stated. The companies signed up for \$10bn in new loans, leases and lines of credit last month, up from \$8.5bn a year earlier. Borrowings rose 9% from the previous month. "Consumer spending continues to fuel the economy, notwithstanding signs of caution and concern raised by some over the impact of trade frictions with China, a pull-back in the US manufacturing sector and recent geopolitical events in Syria, Hong Kong and elsewhere," ELFA's CEO, Ralph Petta said. Washington-based ELFA, which reports economic activity for the \$1tn equipment finance sector, said credit approvals totaled 76.3%, down from 76.6% in August. ELFA's leasing and finance index measures the volume of commercial equipment financed in the US. It is designed to complement the US Commerce Department's durable goods orders report, which it typically precedes by a few days. The Equipment Leasing & Finance Foundation, ELFA's non-profit affiliate, stated its monthly confidence index in October is 51.4, down from September's 54.7. A reading of above 50 indicates a positive outlook. (Reuters)
- **UK public finances weaken in first half of tax year ahead of Brexit budget** – British public borrowing rose more than a fifth in the first half of the tax year, official figures showed on Tuesday, as a decade-long trend of deficit reduction comes to an end even before Brexit. Public sector net borrowing in September alone totaled 9.4bn Pounds, excluding public-sector banks, up from 8.8bn in September 2018 and just below economists' average forecast of 9.7bn Pound deficit in a Reuters poll. But looking at the six months since the start of the current tax year in April, borrowing was 21.6% higher than the same period in 2018 at 40.3bn Pounds, the Office for National Statistics stated. Tuesday's figures confirm signs already apparent last month that Britain's government is on course to miss a goal of keeping borrowing below 2% of gross domestic product in 2020-21, due to increasing public spending and statistical revisions. (Reuters)
- **CBI: UK industry outlook weakest since 2009 on Brexit and world slowdown** – British manufacturers expect their orders to fall at the fastest rate in a decade over the next three months due to the slowing global economy and Brexit uncertainty, a quarterly survey by the Confederation of British Industry (CBI) showed on Tuesday. The CBI stated its manufacturing orders balance sank to -19 in October from +10 in July, the lowest since April 2009. The CBI's monthly orders balance for October sank to -37 from -28 in September, below all forecasts in a Reuters poll and it's lowest since March 2010. "A combination of Brexit uncertainty and weaker global growth are clearly hitting sentiment and export prospects, with job prospects at their weakest since the global financial crisis," CBI's Chief Economist, Rain Newton-Smith said. (Reuters)
- **Eurostat: German budget surplus at 1.7% of GDP in second quarter** – Germany's seasonally adjusted budget surplus was 1.7% of the country's GDP in the second quarter, down from 2.0% in the previous three months, data from the European Union's statistics office Eurostat showed on Tuesday. Germany has been running large budget surpluses for years and is now under pressure from other Eurozone countries, the European Central Bank and the International Monetary Fund to spend more on long-overdue investment to help prevent an economic slowdown in the Eurozone's biggest economy. Unadjusted for seasonal swings, the budget surplus was even higher at 3.2% of

GDP, in the second quarter, up from 2.2% in the first three months. (Reuters)

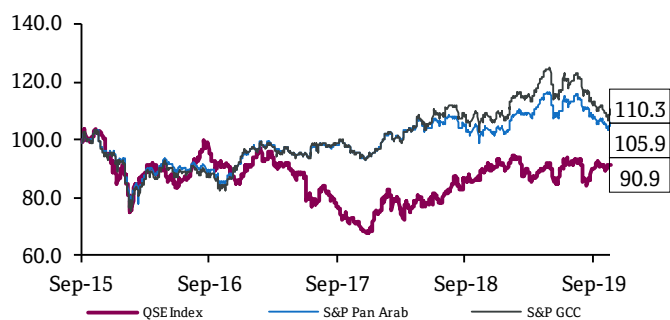
### Regional

- **OPEC and allies to mull deeper oil cut amid worries over demand growth** – OPEC and its allies will consider whether to deepen cuts to crude supply when they next meet in December due to worries about weak demand growth in 2020, sources from the oil-producing club said. Saudi Arabia, OPEC's de facto leader, wants to focus first on boosting adherence to the group's production-reduction pact with Russia and other non-members, an alliance known as OPEC+, before committing to more cuts, the sources said. OPEC members Iraq and Nigeria are among the countries that have failed to comply properly with pledged output reductions. Saudi Arabia and other Gulf producers in the OPEC have been delivering more than their share of promised cuts to stabilize the market and prevent prices from falling. Saudi Arabia has been pumping some 300,000 bpd below its output target, taking the lion's share of the curbs. (Reuters)
- **Saudi Arabia sells \$2.5bn Sukuk, gets hefty demand** – Saudi Arabia sold Sukuk, or Islamic bonds, worth \$2.5bn on Tuesday after receiving large demand for its first international debt sale since an assault on its oil facilities last month. The Sukuk offer a profit rate equivalent to 127 basis points over mid-swaps, a document showed. That is around 20 basis points below the level at which the bonds were marketed earlier, a sign that hefty demand allowed the Kingdom to tighten the pricing. One source close to the deal said orders for the deal had peaked to nearly \$14bn. The new Sukuk transaction would complete Riyadh's external funding requirements this year, according to a document issued by one of the banks leading the deal. Fund managers said the initial marketing level had put the notes at a premium of around 20 basis points over the existing curve. The debt sale looked "cheap," Fixed Income Director at Dubai-based Arqaam Capital, Zeina Rizk said. JPMorgan and Standard Chartered were hired to coordinate the deal with Aljazira Capital working as joint lead bank. Separately, the government stated that it has issued SR7.265bn in domestic Sukuk. (Reuters)
- **Saudi Arabia issues SR7.27bn of local Sukuk** – Saudi Arabia's finance ministry issued local currency Sukuk, according to data compiled by Bloomberg. The SR362mn in tap issuance of Sukuk matures on March 27, 2034. The SR5.12bn in tap issuance of Sukuk matures on April 24, 2049. The SR1.13bn in new issuance of Sukuk matures on March 23, 2025. The SR654mn in new issuance of Sukuk matures on March 23, 2030. (Bloomberg)
- **Saudi Aramco listing was delayed to rope in anchor investors** – Saudi Aramco's much-vaunted stock market listing was delayed after deal advisors said they need more time to lock in cornerstone investors, sources said. After a false start last year, preparations gathered momentum this summer with approaches to sovereign wealth funds, rich Saudi Arabians and large foreign fund managers as potential cornerstone investors only for plans to unravel for a second time. (Reuters)
- **Saudi Aramco wants anchor investors to take over 40% of offering** – Saudi Aramco has delayed IPO listing to bring in anchor investors, Reuters reported, citing unidentified sources. State-owned oil producer wants anchor investors to cover more than 40% of its offering and anything below that would not be sufficient. (Bloomberg)
- **Saudi Aramco pushing to complete IPO this year after delay** – Saudi Aramco is pushing to complete its initial public offering (IPO) this year by relying more on local investors, after international money managers' skepticism triggered a delay, sources said. The state-owned oil producer is considering making a formal announcement of the listing plan as soon as the next few weeks, according to sources. The kickoff, originally slated for October 20, was postponed after overseas investors pushed back at its touted \$2tn valuation. Saudi Aramco plans to press on with the listing plans by relying more on demand from Saudi Arabia and other parts of the Middle East, the sources said. Some domestic funds have been invited to a meeting at Saudi Aramco's headquarters in Dhahran to discuss the IPO and may be asked for commitments shortly afterward, the sources said. (Bloomberg)
- **Saudi Aramco's Ras Tanura refinery to start 'clean-fuels' units** – Saudi Aramco plans to start units to produce cleaner-burning gasoline at Ras Tanura refinery in 1Q2021, plant's General Manager, Fawwaz Nawwab said. The new units will produce gasoline to Euro 5 standard; units include 90k bpd continuous catalytic reformer and 135k bpd naphtha hydrotreater. The project will cost \$2.2bn. Ras Tanura refinery also needs to upgrade existing units to produce less-polluting diesel at around same time; diesel to have 10ppm sulfur content. (Bloomberg)
- **ALINMA posts 11.9% YoY rise in net profit to SR713mn in 3Q2019** – Alinma Bank (ALINMA) recorded net profit of SR713mn in 3Q2019, an increase of 11.9% YoY. Total operating profit rose 18.9% YoY to SR1,441mn in 3Q2019. Total revenue for special commissions/investments rose 13.6% YoY to SR1,465mn in 3Q2019. Total assets stood at SR128.0bn at the end of September 30, 2019 as compared to SR120.2bn at the end of September 30, 2018. Loans and advances stood at SR90.8bn (+9.2% YoY), while customer deposits stood at SR99.8bn (+11.1% YoY) at the end of September 30, 2019. EPS came in at SR1.36 in 3Q2019 as compared to SR1.21 in 3Q2018. (Tadawul)
- **UAE banks weighing proposed caps to property lending** – The UAE's bank lobby is proposing limits on bank lending to the real estate sector to protect them from being overexposed to the sector, a senior bank executive said. The UAE, home to the world's tallest tower, the Burj Khalifa, has faced a sharp real estate slowdown due to oversupply and weaker investment appetite amid lower oil prices. "There is a draft paper for real estate lending with the UAE Banks Federation (UBF) and the banking sector which will review and give feedback to have a proper policy in lending cap for the real estate sector," Head of the UAE Banks Federation, Abdul Aziz Al-Ghurair said. "This is to protect the whole economy, you can't have all your lending in one sector. If the sector is impacted, the whole banking industry gets impacted, this is a prudent decision." He did not provide additional details on the limits the proposal sought to impose. Real estate and construction accounted for about 20% of gross loans at end of the first quarter, according to central bank data. Fitch Ratings stated in a recent report the true exposure is higher as the data excludes retail mortgage lending and some lending to investment companies that finance development. Abdul Aziz Al-Ghurair, who is also Chairman of

Mashreqbank, said his bank and the banking industry was witnessing flat loan growth. "Loan growth is flat almost for the whole sector, for Mashreq and for everybody," he told reporters at a Fintech event in Abu Dhabi. He said lower interest rates were hurting banks because "we have huge capital, shareholders equity and huge deposits." (Zawya)

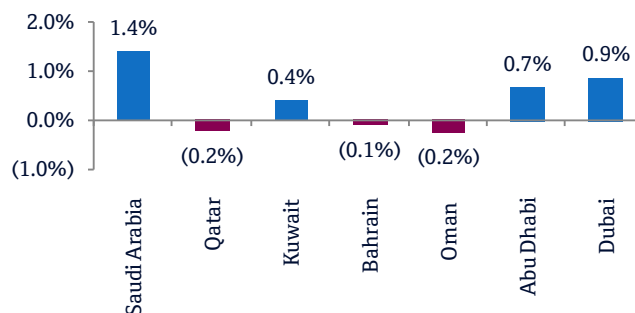
- **Green bonds, project finance on focus as Dubai drives Middle East's green economy** – Dubai is slowly and steadily pursuing its ambition to strengthen its position to be a hub for sustainable investments worldwide. At the 2019 World Green Economy Summit (WGES) in Dubai, experts discussed the various achievements and challenges so far to the Emirate's ambitious goal. The latest government-backed initiative, Dubai Sustainable Finance Working group announced in July, was jointly launched by Dubai International Financial Centre (DIFC) and Dubai Financial Market (DFM). The new group focuses on developing green financial instruments, promote responsible investing, grow sustainable finance, and increase diversity and inclusion. HSBC MEANT, Sustainable Finance Lead, Diako Makhmalbaf said: "Government is doing a lot in the space," noting, more regulations that push companies to invest in green bonds could be a key driver. (Zawya)
- **DP World reports lower quarterly global cargo volumes** – Port operator DP World reported on Tuesday a third quarter decline in cargo handled across its global portfolio as volumes fell in Dubai for a sixth consecutive quarter. The operator stated that it handled 18mn twenty foot equivalent unit (TEU) containers in its ports in the three months to September 30, down 1.6% on the same period a year ago. It stated a global trade row created a challenging environment. The US and China have been locked in a trade row that has cast a shadow over global economic prospects. At its flagship Jebel Ali port in Dubai, the Middle East's largest trans-shipment hub, and the smaller Mina Rashid port volumes fell 1% to 3.6mn TEUs. DP World Chairman, Sultan Ahmed bin Sulayem said volumes at Jebel Ali had been stabilizing, adding: "We remain focused on profitable origin and destination cargo." Tensions in the Middle East have escalated in the wake of attacks on oil facilities in Saudi Arabia and tankers in Gulf waters, a key shipping artery for the global oil trade. (Reuters)
- **Mubadala said to be in talks to buy Odebrecht sugar cane unit** – Mubadala Investment Co. is in talks to acquire Odebrecht's sugar cane and ethanol unit, a bid that could signal new money for the struggling company, according to sources. The Abu Dhabi sovereign wealth fund is talking with creditors and lenders including government-owned Banco do Brasil and development bank BNDES who hold a combined total of about \$2.7bn in the unit's debt, the sources said. Atvos, which asked for legal protection from its creditors on May 29, presented a recovery plan on August 7 proposing to pay 65% of the debt that has collateral with a grace period of 5 years for the principal and 3 years for interest. It offered floating rates equivalent to 115% of the interbank rate known as DI. The remaining 35% of the debt would be turned into a hybrid perpetual local bond that would pay creditors only when the company distributes profits. The rate on that security would be adjusted based on the interest rate known as TR, which usually falls below the DI. (Bloomberg)
- **UAE's Masdar wins bid to develop Uzbekistan solar project** – UAE's Masdar, a subsidiary of Mubadala Investment Company, stated that it has won a bid to develop Uzbekistan's first public-private partnership (PPP) solar project. Masdar, one of the world's leading renewable energy companies, will develop the 100-megawatt (MW) utility-scale solar plant, under the International Finance Corporation's (IFC) Scaling Solar program. The project will be located in the Navoi region of Uzbekistan. (Reuters)
- **Oman considers setting up new regional airline** – Oman is considering setting up a new regional airline that could take over domestic operations from state carrier Oman Air, sources told Reuters. A request for proposal was issued this month by state entity Oman Aviation Group for a feasibility study into operating the new airline, 'Oman Link,' the sources said. Setting up a new airline for domestic flights would allow Oman Air to focus on its international network where it competes with large Gulf carriers Emirates, Qatar Airways, and Etihad Airways. The new airline could partner with Oman Air with both carriers connecting passengers to each other however, would have its own independent management, the sources said on the condition of anonymity because the details are private. Proposals are to be submitted by November 11, sources added. The new airline would use regional jets for domestic flights and potentially later to other cities in the region where there is not enough demand to fill the larger single aisle jets used by other airlines in Oman. (Zawya)
- **National Bank of Bahrain concludes due diligence on BisB** – National Bank of Bahrain (NBB) has concluded the financial and legal due diligence for a potential voluntary takeover offer for the issued shares of Bahrain Islamic Bank, according to statement. Talks are still ongoing with Bahrain Islamic Bank (BisB). Discussions may or may not lead to an offer. Bahrain Islamic Bank says in a separate statement that it is yet to receive a formal offer. (Bloomberg)
- **Bahrain sells BHD100mn 364-day bills; bid-cover at 1.77x** – Bahrain sold BHD100mn of 364 day bills due on October 22, 2020. Investors offered to buy 1.77 times the amount of securities sold. The bills were sold at a price of 97.225, having a yield of 2.82% and will settle on October 24, 2019. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,487.65	0.2	(0.1)	16.0
Silver/Ounce	17.52	(0.2)	(0.2)	13.1
Crude Oil (Brent)/Barrel (FM Future)	59.70	1.3	0.5	11.0
Crude Oil (WTI)/Barrel (FM Future)	54.16	1.6	0.7	19.3
Natural Gas (Henry Hub)/MMBtu <sup>#</sup>	2.13	0.0	(1.4)	(33.2)
LPG Propane (Arab Gulf)/Ton <sup>#</sup>	46.50	0.0	0.0	(27.3)
LPG Butane (Arab Gulf)/Ton	63.25	0.6	1.2	(9.0)
Euro	1.11	(0.2)	(0.4)	(3.0)
Yen	108.49	(0.1)	0.0	(1.1)
GBP	1.29	(0.7)	(0.9)	0.9
CHF	1.01	(0.4)	(0.5)	(0.8)
AUD	0.69	(0.2)	(0.0)	(2.8)
USD Index	97.53	0.2	0.3	1.4
RUB	63.72	(0.0)	(0.1)	(8.6)
BRL	0.24	1.1	0.7	(4.9)

Source: Bloomberg (\*Market was closed on October 22, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,204.29	(0.2)	0.4	17.0
DJ Industrial	26,788.10	(0.1)	0.1	14.8
S&P 500	2,995.99	(0.4)	0.3	19.5
NASDAQ 100	8,104.30	(0.7)	0.2	22.1
STOXX 600	394.59	(0.0)	0.5	13.7
DAX	12,754.69	(0.0)	0.8	17.6
FTSE 100	7,212.49	0.5	1.0	8.9
CAC 40	5,657.69	0.1	0.2	16.3
Nikkei <sup>#</sup>	22,548.90	0.0	0.1	14.6
MSCI EM	1,034.08	0.5	1.0	7.1
SHANGHAI SE Composite	2,954.38	0.5	0.6	15.1
HANG SENG	26,786.20	0.2	0.2	3.5
BSE SENSEX	38,963.84	(0.4)	(0.4)	6.4
Bovespa	107,381.10	3.0	4.1	16.2
RTS	1,387.68	1.7	2.4	29.8

Source: Bloomberg (\*\$ adjusted returns, \*Market was closed on October 22, 2019)

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