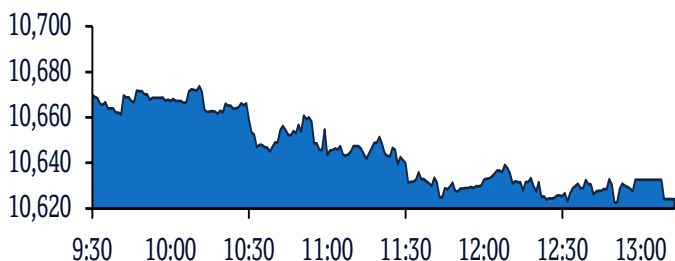


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.5% to close at 10,624.1. Losses were led by the Insurance and Transportation indices, falling 1.5% and 0.7%, respectively. Top losers were Qatar General Insurance & Reinsurance Company and Mannai Corporation, falling 8.6% and 2.7%, respectively. Among the top gainers, Qatar First Bank gained 8.7%, while Widam Food Company was up 2.2%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.5% to close at 8,386.4. Losses were led by the Telecom. Services and Media & Ent. indices, falling 3.9% and 1.8%, respectively. Saudi Telecom declined 4.7%, while Yanbu National Petrochemical was down 2.9%.

Dubai: The DFM Index fell 0.4% to close at 2,838.0. The Real Estate & Construction index declined 1.4%, while the Consumer Staples and Discretionary index fell 1.0%. Arabtec Holding Co. declined 6.6%, while Ithmaar Holding was down 5.3%.

Abu Dhabi: The ADX General Index gained 0.2% to close at 5,244.7. The Services index rose 1.3%, while the Banks index was up 0.5%. Arkan Building Materials Co. rose 8.9%, while Umm Al Qaiwain General Investment Company was up 5.6%.

Kuwait: The Kuwait All Share Index gained 0.2% to close at 6,369.1. The Technology index rose 9.9%, while the Telecommunications index gained 0.8%. Amar Finance & Leasing Co. rose 21.0%, while Aan Digital Serv. Co. was up 10.9%.

Oman: The MSM 30 Index gained 0.3% to close at 4,069.5. Gains were led by the Services and Industrial indices, rising 0.7% and 0.1%, respectively. Sembcorp Salalah Power and Water Co. rose 3.7%, while Voltamp Energy was up 2.8%.

Bahrain: The BHB Index gained 0.1% to close at 1,653.3. The Industrial index rose 0.7%, while the Services index gained 0.2%. Al-Salam Bank rose 1.0%, while Aluminium Bahrain was up 0.7%.

Market Indicators	23 Jan 20	22 Jan 20	%Chg.
Value Traded (QR mn)	203.7	241.1	(15.5)
Exch. Market Cap. (QR mn)	589,788.0	593,758.0	(0.7)
Volume (mn)	118.6	86.2	37.5
Number of Transactions	4,624	4,221	9.5
Companies Traded	46	45	2.2
Market Breadth	8:28	15:24	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	19,549.17	(0.5)	(0.7)	1.9	15.4
All Share Index	3,151.27	(0.6)	(0.6)	1.7	15.9
Banks	4,351.24	(0.6)	(0.3)	3.1	15.2
Industrials	2,894.42	(0.5)	(1.8)	(1.3)	19.9
Transportation	2,567.90	(0.7)	(0.0)	0.5	13.4
Real Estate	1,606.25	(0.4)	0.8	2.6	12.1
Insurance	2,752.42	(1.5)	(1.5)	0.7	15.8
Telecoms	901.45	(0.5)	(0.3)	0.7	15.4
Consumer	8,642.47	0.1	(1.0)	(0.0)	19.2
Al Rayan Islamic Index	3,994.47	(0.4)	(0.5)	1.1	16.4

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Sembcorp Salalah Power.	Oman	0.14	3.7	5.4	3.7
Oman Telecom. Co.	Oman	0.62	2.0	706.0	4.0
Saudi British Bank	Saudi Arabia	34.70	1.8	749.6	0.0
Alinma Bank	Saudi Arabia	25.95	1.6	9,953.1	2.4
Dubai Islamic Bank	Dubai	5.86	1.6	7,616.2	6.4

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Telecom Co.	Saudi Arabia	93.20	(4.7)	2,639.9	(8.4)
Yanbu National Petro. Co.	Saudi Arabia	53.70	(2.9)	1,381.1	(3.9)
Ominvest	Oman	0.33	(2.3)	38.6	(1.8)
Saudi Industrial Inv.	Saudi Arabia	24.82	(2.3)	327.8	3.4
Ethiad Etisalat Co.	Saudi Arabia	27.20	(2.2)	1,823.0	8.8

Source: Bloomberg (# in Local Currency) (** GCC Top gainers/losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.99	8.7	21,363.2	20.9
Widam Food Company	6.85	2.2	41.7	1.3
Alijarah Holding	0.73	1.9	1,646.6	4.0
Medicare Group	8.47	0.8	28.7	0.2
Salam International Inv. Ltd.	0.53	0.2	425.5	3.1

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Mazaya Qatar Real Estate Dev.	0.77	(0.4)	28,605.1	6.7
Ezdan Holding Group	0.64	(1.7)	23,760.1	3.4
Qatar First Bank	0.99	8.7	21,363.2	20.9
Al Khalij Commercial Bank	1.31	(0.8)	5,400.2	0.0
Investment Holding Group	0.57	(1.5)	4,958.8	1.8

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	2.55	(8.6)	123.6	3.7
Mannai Corporation	3.20	(2.7)	293.7	3.9
Ezdan Holding Group	0.64	(1.7)	23,760.1	3.4
Investment Holding Group	0.57	(1.5)	4,958.8	1.8
Qatar Oman Investment Co.	0.59	(1.3)	501.4	(11.7)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	20.78	(0.9)	23,802.0	0.9
Mazaya Qatar Real Estate Dev.	0.77	(0.4)	21,725.8	6.7
Qatar First Bank	0.99	8.7	20,924.7	20.9
Ezdan Holding Group	0.64	(1.7)	15,204.9	3.4
Masraf Al Rayan	4.13	(1.0)	14,554.0	4.3

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*	10,624.06	(0.5)	(0.7)	1.9	1.9	55.62	161,012.1	15.4	1.6	4.0
Dubai	2,837.99	(0.4)	0.3	2.6	2.6	48.82	105,142.4	11.3	1.0	4.1
Abu Dhabi	5,244.69	0.2	1.3	3.3	3.3	37.28	147,433.5	16.1	1.5	4.8
Saudi Arabia	8,386.35	(0.5)	(0.9)	(0.0)	(0.0)	721.31	2,358,823.1	22.7	1.9	3.2
Kuwait	6,369.11	0.2	0.3	1.4	1.4	137.30	119,230.7	15.7	1.5	3.4
Oman	4,069.53	0.3	0.2	2.2	2.2	5.14	17,390.6	7.3	0.7	7.3
Bahrain	1,653.33	0.1	0.8	2.7	2.7	4.11	25,930.9	13.2	1.0	4.7

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 0.5% to close at 10,624.1. The Insurance and Transportation indices led the losses. The index fell on the back of selling pressure from Qatari shareholders despite buying support from GCC and non-Qatari shareholders.
- Qatar General Insurance & Reinsurance Company and Mannai Corporation were the top losers, falling 8.6% and 2.7%, respectively. Among the top gainers, Qatar First Bank gained 8.7%, while Widam Food Company was up 2.2%.
- Volume of shares traded on Thursday rose by 37.5% to 118.6mn from 86.2mn on Wednesday. Further, as compared to the 30-day moving average of 77.3mn, volume for the day was 53.3% higher. Mazaya Qatar Real Estate Development and Ezdan Holding Group were the most active stocks, contributing 24.1% and 20.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	30.37%	39.52%	(18,623,183.45)
Qatari Institutions	30.71%	22.79%	16,141,380.79
Qatari	61.08%	62.31%	(2,481,802.66)
GCC Individuals	0.47%	0.90%	(870,742.48)
GCC Institutions	2.39%	1.35%	2,115,154.49
GCC	2.86%	2.25%	1,244,412.00
Non-Qatari Individuals	15.77%	14.08%	3,435,694.66
Non-Qatari Institutions	20.28%	21.36%	(2,198,304.01)
Non-Qatari	36.05%	35.44%	1,237,390.65

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

Ratings, Earnings Releases, Global Economic Data and Earnings Calendar

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Kuwait Finance House	Moody's	Kuwait	LT-FCDR/ST-FCDR/BCA/ABCA	A1/ Prime-1/baa3/baa3	A1/ Prime-1/baa3/baa3	-	Positive	↑
Ahli United Bank	Moody's	Kuwait	LT-FCDR/ST-FCDR/BCA/ABCA	A2/ Prime-1/baa3/baa3	A2/ Prime-1/baa3/baa3	-	Stable	-

Source: Zawyia, Bloomberg (* LT – Long Term, ST – Short Term, FCDR – Foreign Currency Deposit Rating, BCA – Baseline Credit Assessment, ABCA – Adjusted Baseline Credit Assessment)

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2019	% Change YoY	Operating Profit (mn) 4Q2019	% Change YoY	Net Profit (mn) 4Q2019	% Change YoY
Saudi Arabian Fertilizer Co.	Saudi Arabia	SR	845.6	-22.4%	341.2	-41.0%	338.3	-40.5%
Saudi Kayan Petrochemical Co.	Saudi Arabia	SR	2,259.7	-14.3%	39.7	-35.5%	(167.4)	N/A
Yanbu National Petrochemical Co.	Saudi Arabia	SR	1,482.1	-8.5%	182.3	-8.7%	170.9	-26.8%

Source: Company data, DFM, ADX, MSM, TASI, BHB.

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/23	US	Department of Labor	Initial Jobless Claims	18-Jan	211k	214k	205k
01/23	US	Department of Labor	Continuing Claims	11-Jan	1,731k	1,756k	1,768k
01/24	US	Markit	Markit US Manufacturing PMI	Jan	51.7	52.5	52.4
01/24	US	Markit	Markit US Services PMI	Jan	53.2	53.0	52.8
01/24	US	Markit	Markit US Composite PMI	Jan	53.1	-	52.7
01/24	UK	Markit	Markit UK PMI Manufacturing SA	Jan	49.8	48.8	47.5
01/24	UK	Markit	Markit/CIPS UK Services PMI	Jan	52.9	51.1	50.0
01/24	UK	Markit	Markit/CIPS UK Composite PMI	Jan	52.4	50.7	49.3
01/23	EU	European Commission	Consumer Confidence	Jan	-8.1	-7.8	-8.1
01/24	EU	Markit	Markit Eurozone Manufacturing PMI	Jan	47.8	46.8	46.3
01/24	EU	Markit	Markit Eurozone Services PMI	Jan	52.2	52.8	52.8
01/24	EU	Markit	Markit Eurozone Composite PMI	Jan	50.9	51.2	50.9
01/24	Germany	Markit	Markit/BME Germany Manufacturing PMI	Jan	45.2	44.5	43.7
01/24	Germany	Markit	Markit Germany Services PMI	Jan	54.2	53.0	52.9
01/24	Germany	Markit	Markit/BME Germany Composite PMI	Jan	51.1	50.5	50.2
01/24	France	Markit	Markit France Manufacturing PMI	Jan	51	50.6	50.4
01/24	France	Markit	Markit France Services PMI	Jan	51.7	52.2	52.4
01/24	France	Markit	Markit France Composite PMI	Jan	51.5	52.0	52.0
01/23	Japan	Ministry of Finance Japan	Trade Balance	Dec	-¥152.5bn	-¥152.6bn	-¥82.1bn
01/23	Japan	Ministry of Finance Japan	Trade Balance Adjusted	Dec	-¥102.5bn	-¥236.0bn	-¥91.9bn

01/23	Japan	Ministry of Finance Japan	Exports YoY	Dec	-6.3%	-4.3%	-7.9%
01/23	Japan	Ministry of Finance Japan	Imports YoY	Dec	-4.9%	-3.2%	-15.7%
Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/23	Japan	Japan Machine Tool Builders' A	Machine Tool Orders YoY	Dec	-33.5%	-	-33.6%
01/24	Japan	Ministry of Internal Affairs and Com.	Natl CPI YoY	Dec	0.8%	0.7%	0.5%
01/24	Japan	Markit	Jibun Bank Japan PMI Composite	Jan	51.1	-	48.6
01/24	Japan	Markit	Jibun Bank Japan PMI Mfg	Jan	49.3	-	48.4
01/24	Japan	Markit	Jibun Bank Japan PMI Services	Jan	52.1	-	49.4

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
DHBK	Doha Bank	26-Jan-20	0	Due
QIHK	Qatar International Islamic Bank	28-Jan-20	2	Due
QFLS	Qatar Fuel Company	29-Jan-20	3	Due
CBQK	The Commercial Bank	29-Jan-20	3	Due
IHGS	Islamic Holding Group	29-Jan-20	3	Due
NLCS	Aljarah Holding	30-Jan-20	4	Due
QIGD	Qatari Investors Group	2-Feb-20	7	Due
QATI	Qatar Insurance Company	2-Feb-20	7	Due
VFQS	Vodafone Qatar	3-Feb-20	8	Due
MCGS	Medicare Group	4-Feb-20	9	Due
UDCD	United Development Company	5-Feb-20	10	Due
IQCD	Industries Qatar	5-Feb-20	10	Due
QIMD	Qatar Industrial Manufacturing Company	5-Feb-20	10	Due
DOHI	Doha Insurance Group	12-Feb-20	17	Due
ORDS	Ooredoo	13-Feb-20	18	Due

Source: QSE

News

Qatar

- ORDS, UDCD sign deal to provide smart solutions to residents of The Pearl** – Ooredoo (ORDS) and United Development Company (UDCD) announced the signing of a Memorandum of Understanding (MoU) to provide combined and smart services to The Pearl-Qatar residents. In line with ORDS and UDCD's goal of enhancing people's digital lives, both sides intend to collectively work towards migrating UDCD's Content Broadcast to Ooredoo ONE Broadband and TV service. In addition to the amazing entertainment on offer already with Ooredoo ONE, UDCD's impressive internet-protocol TV will also be made available via Ooredoo ONE, expanding even further the range of channels and options from which residents can choose. The MoU will also pave the way for more cooperation between the two companies in the areas of developing smart solutions and the concept of smart homes to achieve Qatar National Vision 2030, a press statement from Ooredoo stated. (Qatar Tribune)
- QCB: Qatar commercial banks' assets jump 9% in 2019** – A robust double-digit growth in domestic assets, especially owing to strong private sector credit, helped Qatar's commercial banks' total asset base expand 9% YoY at the end of December 2019, according to the Qatar Central Bank (QCB) data. The commercial banks' total assets stood at QR1.55tn at the end of December 2019 with domestic assets constituting 85% of the total. The domestic assets witnessed about 12% YoY expansion to

QR1.32tn at the end of December 31, 2019 on a robust growth trajectory especially in the case of credit, securities portfolio, credit on banks and cash and precious metals. Total credit of the commercial banks grew about 11% to QR1.04tn. Their domestic credit facilities shot up more than 12% YoY to QR964.19bn at the end of review period. They constituted about 85% of the total domestic assets of the banks. Private sector credit registered a more than 20% YoY expansion to QR635.19bn, or 66%, of the total domestic credit at the end of December last year; while public sector credit witnessed a marginal 0.37% decline to QR17.48bn. The credit activities under non-banking financial institutions witnessed a more than 7% YoY decline to QR11.52bn during the review period. The domestic securities portfolio, which accounted for 14% of domestic assets, registered a more than 12% YoY increase to QR178.06bn; of which debt witnessed a more than 9% growth to QR104.13bn, Sukuk by more than 16% to QR71.68bn and equity participation by about 41% YoY to QR1.8bn. The domestic debt growth was mainly on account of the government, whose debt rose more than 14% YoY to QR94.1bn, whereas those of banks and others declined 29% and 9% to QR6.23bn and QR3.8bn respectively at the end of December 31, 2019. (Gulf-Times.com)

- QDB's outstanding loans to SMEs at QR6.7bn in 2019** – The total outstanding loans extended by Qatar Development Bank (QDB) to SMEs reached a whopping QR6.7bn in 2019, registering a YoY

growth of nearly 8% compared to QR6.2bn loans provided in the previous year. The short term financing to promote exports in 2019 stood at QR507mn, while total financial support through insurance policies reached at QR562mn. The QDB disclosed that it made remarkable achievements in 2019 in almost all segments of its services, including financial assistance to small and mid-sized enterprises (SMEs) and providing them access to job opportunities. The state-owned development organization is the main entity responsible for supporting and promoting local SMEs to establish a vibrant private sector in the country. This is part of efforts to achieve economic diversification in the energy rich economy in line with Qatar National Vision 2030. In 2019, the number of QDB-supported food security projects witnessed a remarkable 65% YoY growth, while the number of industrial projects funded by the Bank saw 26% growth. The total number of companies receiving the QDB's financial benefits increased to 951 in 2019, recording a growth of 5% against the previous year, according to key numbers released by QDB. The QDB also invested in 27 small, medium and emerging companies in 2019, reporting a double-digit growth of 36% in its investments compared to previous year. Through its Al Dhameen program, the development bank provided a loan guarantee of QR938mn in 2019. Al Dhameen is an initiative related to credit guarantee to promote the growth and development of SMEs in Qatar. (Peninsula Qatar)

- **Ezdan: Real estate price index surges on solid deals** – Real estate price index has soared during the past week, after clinching 59 property sale deals in seven municipalities worth more than QR2bn, bolstered by huge exceptional deals, a report by Ezdan Real Estate (Ezdan) stated. Three major deals amounting to almost QR1.3bn, domineering around 62% of the total transaction volume were closed in Wukair during the week, entailing a vacant land spreading over an area of approximately 301.00 square meters, at QR193 per square foot, mounting up to of 623.7mn. The second deal concluded in same region for a vacant land of 209.000 square meters at the same price per square foot, totaling QR433.4mn, the third one for a 961000 square meters land plot, with a total price of QR199.1mn, according to the statistics announced by the Real Estate Registration Department, Qatari Ministry of Justice. The three groundbreaking sales deal drove the real estate price index during the week from 12-16 January to proceed apace, stimulating forecasts for a promising market and booming real estate activity in 2020, especially in the southern region which is witnessing a boom in urban development with the implementation of giant infrastructure projects, such as road broadening and construction of thousands of housing units in the south, offered at competitive prices. (Peninsula Qatar)
- **CEO: QIA will not invest more in coal** – Qatar's sovereign wealth fund plans to shift into greener assets, according to CEO Mansoor bin Ebrahim Al-Mahmoud. He said, "We are not going to invest more in the coal business. We have some investment in oil and gas companies; this is a fact, and this is a sector that you cannot ignore." The \$328bn Qatar Investment Authority (QIA) also does not plan to significantly expand its holdings in oil and gas. Still, given that Qatar relies heavily on income from natural gas, the fund needs to diversify beyond the energy sector, he said. "So I don't see that this part of the portfolio will expand that much," he said. Sustainability and climate change are a major theme at

this year's annual World Economic Forum, which has been held in the Swiss Alpine town of Davos since the 1970s. The event attracts the world's most important lawmakers and wealthiest people and this year at least 119 billionaires are converging to join bankers, politicians and other grandees for the pilgrimage. The QIA focuses on opportunities outside Qatar in an attempt to diversify the country's wealth beyond its vast natural-gas reserves, which is a cleaner energy source. (Gulf-Times.com)

- **QIBK sponsors Qatar's first Franchise Conference Expo 2020** – Qatar Islamic Bank (QIBK) has announced that it will participate in Qatar's first Franchise Conference and Expo 2020 as a support sponsor. Organized by Ibhar for Exhibitions, in cooperation with their strategic partner International World Franchise Associates (London), the exhibition will be held at Sheraton Doha Hotel on January 27. The exhibition aims to support Qatar's local firms to attract international brands considering to invest in the Qatari market. It features various industries, including clothing, accessories, food, and beverages, health and beauty, and education services. The expo showcases a wide range of foreign franchises, as well as companies offering consulting and support services, providing current and potential franchise holders with a great opportunity to explore successful and mutually beneficial business opportunities. (Gulf-Times.com)
- **QCFS to hold its board meeting on February 12 to discuss the financial statements** – Qatar Cinema & Film Distribution Company (QCFS) announced that its board of directors will meet on February 12, 2020 to discuss and approve the financial statements for the period ended December 31, 2019. (QSE)
- **MRDS announces that Investor Relation Conference call will be held on January 28** – Mazaya Qatar Real Estate Development (MRDS) announced that Investors Relation Conference call will be held on January 28, 2020 to discuss the financial statements ended December 31, 2019. (QSE)

International

- **QNB Group: Global economy likely to continue in a Goldilocks scenario for 2020** – The current 'Goldilocks scenario' for the global economy will continue for longer, QNB Group has said in an economic commentary. "Like Goldilocks in the old British tale, most investors prefer an economy that resembles a good porridge, neither too hot nor too cold, but 'just right'," QNB Group noted. In macro terms, this translates into an ideal scenario of moderate growth with high employment and low inflation. In other words, an economy that is hot enough to propel or maintain earnings growth, but cool enough to keep monetary authorities from tightening policy. This is relevant as policy responses to inflation pressures coming from overheated economies have often caused both recessions and bear markets. "Goldilocks is therefore a comfortable scenario of persistent growth prospects with low downside risks. There is little doubt that at some point in Q3 last year global recession/deflation fears were reversed by more aggressive monetary policy easing and positive developments in trade negotiations," QNB Group said. Since then, the economic expansion cycle gained further support with almost all major asset classes rallying. This can be observed in the sharp rebound of the Sentix global aggregate economic index from a position that was negative and deteriorating to one that is positive and improving. (Gulf-Times.com)

- Reuters polls: Global economy snapback to prove elusive despite market joy** – A significant global upturn will remain elusive this year as many economies still face an array of daunting risks, despite improved sentiment from an initial US-China trade deal and ebullience in financial markets, Reuters polls showed. The global economy in 2019 may have been near its weakest since the financial crisis thanks to trade protectionism and political uncertainty, but world stocks had a blowout year with several indexes repeatedly setting record highs. With easy policy from central banks set to continue, that split between markets and events on the ground may extend into this year, according to surveys of over 500 economists covering 46 major economies conducted January 10-22. While very few economists predicted a deeper downturn this year, not many more forecast a significant pick-up either, despite the euphoria surrounding the initial Washington-Beijing trade deal that cooled nearly two years of escalating tensions between the world's two biggest economies. In the latest Reuters polls, the 2020 growth outlook for nearly 75% of 46 major economies was either cut or left unchanged from the previous poll. Similarly, the outlook for inflation for nearly 85% of those economies was trimmed or left unaltered. (Reuters)
- US weekly jobless claims rise modestly; labor market tight** – The number of Americans filing for unemployment benefits increased less than expected last week, suggesting the labor market continues to tighten even as job growth is slowing. Labor market strength is underpinning consumer spending, helping to keep the longest economic expansion on record, now in its 11th year, on track, despite a downturn in manufacturing. Initial claims for state unemployment benefits rose 6,000 to a seasonally adjusted 211,000 for the week ended Jan. 18, the Labor Department said on Thursday. Claims had declined for five straight weeks, resulting in the unwinding of the surge seen in early December, which was blamed on a later-than-normal Thanksgiving Day. Claims data for the prior week was revised to show 1,000 more applications received than previously reported. Economists polled by Reuters had forecast claims increasing to 215,000 in the latest week. Despite the moderation in job gains, the labor market remains on solid footing, with the unemployment rate holding near a 50-year low of 3.5% in December and a measure of labor market slack dropping to an all-time low of 6.7%. Thursday's claims report also showed the number of people receiving benefits after an initial week of aid dropped 37,000 to 1.73mn for the week ended January 11. The so-called continuing claims had surged to 1.80mn at the end of 2019, which was the highest level since April 2018. The jump was blamed on year-end volatility. (Reuters)
- ELFA: US business borrowing for equipment rises about 2% in December** – The US companies' borrowings for capital investments rose about 2% in December from a year earlier, the Equipment Leasing and Finance Association (ELFA) said on Friday. The companies signed up for \$12.9bn in new loans, leases and lines of credit last month, up from \$12.7bn a year earlier. Borrowings rose 65% from the previous month. Some ELFA member organizations are seeing slightly elevated levels of stress in their business amid slowing global economic growth, ELFA's CEO, Ralph Petta said. Washington-based ELFA, which reports economic activity for the nearly \$1tn equipment finance sector, said credit approvals totaled 77.1% in December, up from 75.7% in November.
- US private sector firms indicated a faster expansion of business activity in January** – The US private sector firms indicated a faster expansion of business activity in January, with the pace of growth accelerating to a ten-month high. The upturn was driven by a sharper increase in service sector output, as growth of manufacturing production was unchanged. Adjusted for seasonal factors, the IHS Markit Flash U.S. Composite PMI Output Index posted 53.1 in January, up from 52.7 in December, to indicate the quickest rise in output since last March. The increase in output was solid overall, despite the pace of growth remaining below the series long-run trend. The composite index is based on original survey data from IHS Markit's PMI surveys of both services and manufacturing. New business across the private sector continued to rise in January, albeit at a softer pace. The upturn in client demand softened slightly as both manufacturers and service providers registered slower expansions of new orders. In fact, goods producers recorded the least marked improvement in demand since last September, with growth easing further from November's ten-month high. Meanwhile, new export orders placed with US private sector firms dipped into contractionary territory at the start of 2020. Meanwhile, price pressures across the private sector remained historically subdued, despite the rate of input cost inflation picking up to a seven month high. Higher operating expenses were commonly linked to stronger increases in raw material prices and wages. (Markit)
- UK business perks up after election, weakening case for rate cut** – British companies are enjoying their best month in more than a year, a survey showed on Friday and the strongest evidence yet of a post-election boost to the economy that could deter the Bank of England (BoE) from cutting interest rates next week. The 'flash' early readings of the IHS Markit/CIPS UK Purchasing Managers' Index (PMI) showed Britain's vast services sector returned to growth in January for the first time since August, while a downturn in manufacturing eased. Britain's performance bettered the Eurozone's for the first time since December 2018, as the PMI suggested the world's fifth-largest economy looked on track to grow around 0.2% in quarterly terms after it slowed to a crawl late last year. Earlier signs of weakness in the labor market had prompted two BoE rate-setters to vote for lower borrowing costs at the end of last year. Three others, including Governor Mark Carney, have hinted recently that more economic stimulus might be needed. The composite PMI, which combines manufacturing and services indexes, rose to 52.4 from 49.3, the highest reading since September 2018 and easily beating the 50.6 consensus forecast in a Reuters poll of economists. The services PMI rose in January to 52.9 from 50.0, also its highest level since September 2018 and well above the consensus forecast in a Reuters poll of 51.0. (Reuters)
- Eurozone's economy remains weak in new year but some signs of hope** – Eurozone's business activity remained weak at the start of the year, a survey showed a day after the European Central Bank (ECB) said the manufacturing sector remained a drag on the economy, but there were some signs the worst may be over. IHS Markit's Euro Zone Composite Flash Purchasing Managers' Index (PMI), seen as a good gauge of economic health,

held at 50.9 in January, missing the median prediction in a Reuters poll for 51.2. Anything above 50 indicates growth. The headline index was bogged down by a still struggling factory industry. The manufacturing PMI marked the 12th month below the break-even mark, registering 47.8 - albeit an improvement on December's 46.3 and well above the Reuters poll's 46.8. An index measuring output, which feeds into the composite PMI, rose to 47.5 from 46.1, its highest since August. (Reuters)

- **Growth in Germany's private sector picks up in January** – Germany's private sector gained momentum in January as growth in services activity picked up and the pullback in manufacturing eased, a survey showed on Friday, suggesting Europe's largest economy may be picking up at the start of 2020. IHS Markit's flash composite Purchasing Managers' Index (PMI), which tracks the manufacturing and services sectors that together account for more than two-thirds of the economy, rose to 51.1 from 50.2 the previous month. It was the highest reading in five months and beat the consensus forecast in a Reuters poll of analysts who had expected a smaller increase to 50.5. Business expectations also improved, with optimism among manufacturers reaching its highest level in one-and-a-half years, the survey showed. (Reuters)
- **Japan's December core consumer inflation ticks up, but far from BoJ's target** – Japan's core consumer prices rose in December from a year earlier, data showed on Friday, nudging up from the previous month, but inflation was still well short of the central bank's elusive 2% target. The tame data, which was also boosted by a sales tax increase last October, underscored the challenge faced by the country's central bank, which was expected to maintain its current stimulus policy, analysts said. The core consumer price index (CPI), which includes oil costs but excludes volatile fresh food prices, rose 0.7% in December from a year earlier, the government data showed, matching a media forecast. In November, the index rose 0.5%. The data release came after the BoJ on Tuesday revised down its consumer price forecasts, despite the central bank having nudged up its economic growth projections. (Reuters)
- **Slowing contraction in Japan factory activity eases fears of recession** – Japan's factory activity contracted for a ninth straight month in January but at the slowest pace in five months, possibly reflecting easing US-China trade tensions and alleviating fears of a recession. The Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) edged up to a seasonally adjusted 49.3 from a final 48.4 in December. The index stayed below the 50.0 threshold that separates contraction from expansion for a ninth month - the longest stretch since a nine-month run to February 2013. Output and new orders remained in contraction for the 13th month, but the pace of declines in these indicators also eased, especially in production. That suggests factory activity may have bottomed out, with new export orders expanding for the first time in 14 months in another sign of a pickup in global demand. Separate data showed activity in Japan's services sector expanded at the quickest pace in four months, likely keeping alive policymakers' hope for a domestic demand-led recovery. The Jibun Bank Flash Japan Services PMI index came in at a seasonally adjusted 52.1 from the previous month's 49.4, edging closer to a nearly two-year high of 53.3 in August. The Jibun Bank Flash Japan Composite PMI turned 51.1

in January from the previous months final of 48.6, marking the fastest expansion in four months. (Reuters)

- **Reuters poll: Japan December factory output seen rising for first time in three months** – Japan's factory output is expected to have risen for the first time in three months in December, a Reuters poll showed on Friday, offering some relief for an economy weighed down by sluggish global demand and a sales tax hike. Retail sales likely fell for a third straight month in December as consumers cut back spending after the sales tax increase to 10% from 8% in October, but the rate of decline likely moderated slightly from the previous month. Industrial output is expected to have grown 0.7% in December from the previous month, the poll showed, which would follow a 1.0% fall in November and a hefty 4.5% drop in October. Retail sales were seen down 1.8% in December from a year ago, the poll showed, but less than a 2.1% decline in November and a 7.0% drop in October. (Reuters)

Regional

- **Stronger GCC appetite set to spur uptick in Sukuk issuance in 2020** – A stronger appetite for Sukuk issuance in some GCC countries is among the key factors that promise to spark an uptick in the market performance of Islamic bonds in 2020. S&P estimates a total Sukuk issuance of between \$160bn and \$170bn this year, representing 5% growth on the \$162bn seen in 2019. The total estimated issuances include \$40bn - \$45bn of foreign currency Sukuks. Primary Credit Analyst at S&P, Mohamed Damak expects recent strong Sukuk market performance to continue in 2020 also helped by robust global liquidity, a new fintech proposition, and initiatives by governments and standard setters. An anticipated lower oil price would mean higher financing needs for GCC governments, which would then need to choose between conventional or Sukuk instruments. According to leading Japanese bank MUFG, the financing needs of four GCC countries to meet the anticipated fiscal deficits and investment programs in 2020 stand at \$73.5bn, or 4.4% of the region's GDP. (Zawya)
- **Saudi Arabia says all options open at OPEC+ meeting, including further cuts** – Saudi Arabia's Minister of Energy, Prince Abdulaziz bin Salman Al-Saud said all options are open at an OPEC+ meeting in early March, including further cuts in oil production, Al Arabiya television reported. However, he added that it was too early to make a call on the need for more cuts. "I can't judge now if the market needs additional cuts because I haven't seen the balances for January and February," he said. He said that when the OPEC and its allies led by Russia convene for an emergency meeting in March, the grouping will study where the market is and objectively decide if more cuts are needed. OPEC+ agreed in December to widen their supply cuts by 500,000 bpd to 1.7mn bpd until the end of March. Prince Abdulaziz said the aim of OPEC+ was to reduce the size of the seasonal inventory build that takes place in the first half of the year. OPEC+ is due to meet in Vienna on March 5 and 6 to set their policy. A ministerial monitoring committee for the deal will meet in Vienna on March 4. (Reuters)
- **PIF in talks to buy Newcastle United for \$447mn** – Saudi Arabia's sovereign wealth fund, Public Investment Fund (PIF) is in talks to buy English soccer club Newcastle United for about \$447mn, a source told Reuters, confirming a report in the Wall Street Journal earlier. British billionaire Mike Ashley, who made his

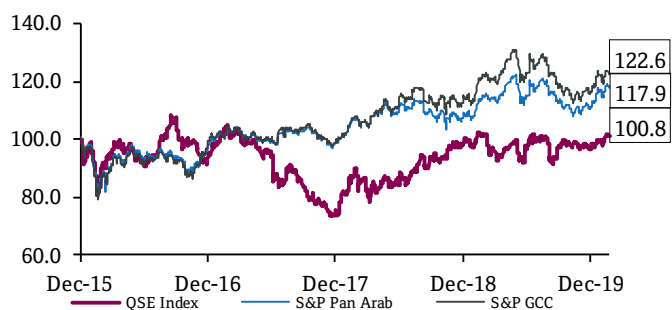
fortune from sportswear retailer Sports Direct (renamed Frasers Group last month), has owned Newcastle United since 2007. Saudi's PIF together with a group led by British financier Amanda Staveley, are in discussions to buy the Premier League club, however, the talks were at a delicate stage and could fall apart, a source told Reuters. Newcastle United has been up for sale for a number of years. Three years ago, Staveley's firm PCP Capital Partners made an offer for it for a reported £250mn however, the talks broke down. (Reuters)

- **UAE's consumer prices fall in 2019** – The UAE's consumer price index (CPI), which measures the costs of goods and services, has dropped 0.8% in 2019 from the previous year. The continued decline in property rents and sales prices, and costs of water, electricity, fuel and gas, have kept UAE inflation in check. According to the Statistics Centre, Abu Dhabi (SCAD), the largest contributor to the overall decrease in consumer prices in 2019 were the costs of housing, gas and utilities, which posted a decline of 3.7%. Another contributing factor was transportation cost, which decreased by 5.3% in 2019 compared with the previous year. UAE households were also able to keep expenditures on food consumption at low levels, with the food and beverages group in the CPI dropping by 2.1%. However, household expenditures on non-essentials rose. According to SCAD, the prices of the "recreation and culture" category in the CPI climbed by 24.6% in 2019. The costs of renting and buying a home in the UAE have been on a decline since the oil prices started falling in 2014. (Zawya)
- **UAE posts AED66.3bn surplus in first nine months of 2019** – UAE posted a surplus of AED66.3bn in the first nine months of 2019, state news agency WAM said, citing government data. The surplus was slightly higher than in 2018, when the UAE posted a surplus of AED66bn during the same nine-month period. Revenues amounted to AED359.2bn and expensed totaled AED292.9bn, the agency said. Expenses were 4.2% higher than in the first nine months of 2018. (Reuters)
- **Dubai's December consumer prices fall 2.02% YoY; rise 0.3% MoM** – Dubai Statistics Center published Emirate of Dubai's consumer price indices for December which showed that the consumer prices fell 2.02% YoY, however, the prices rose 0.3% MoM in December as compared to a fall of 0.2% in the previous month. (Bloomberg)
- **Dubai's Emirates NBD Bank sells stake in NMC after Muddy Waters attack** – Dubai's Emirates NBD Bank said it had sold a 1.04% stake in NMC Health for \$35.55mn, weeks after the healthcare firm was hit by a short-selling attack by US firm Muddy Waters. The sale of 2.16mn shares in NMC, UAE's largest private healthcare provider, at £12.50 per share, also comes days after two major shareholders launched a discounted share sale in the London-listed group. NMC's Vice-Chairman, Khaleefa Al Muhairi and its second-largest shareholder Saeed Al Qebaisi together sold NMC shares worth £375mn on January 8. As of October 29, the bank was NMC's ninth-largest investor with a 1.26%, according to Refinitiv data. The bank said it sold the company's shares after the repayment of a related loan entered into by another entity, Infinite Investment, as the borrower and Emirates NBD as the lender. NMC launched an independent review of its finances after short-seller Muddy Waters

questioned the value of its assets and cash balance while announcing a short position. (Reuters)

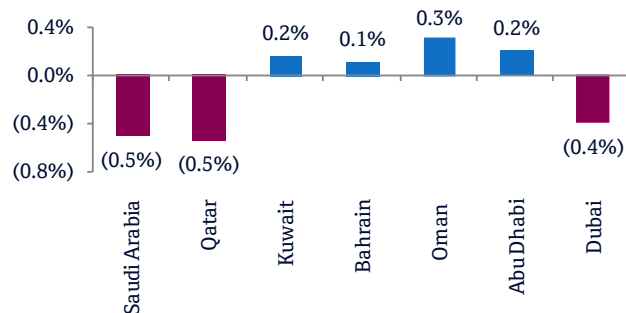
- **Dubai Islamic Bank completes Noor Bank acquisition** – Dubai Islamic Bank (DIB) has completed the acquisition of Noor Bank after securing the necessary regulatory approvals. The acquisition is set to create one of the largest Islamic banks worldwide with more than AED275bn worth of assets, DIB said. The transaction has been structured through share swap, with DIB issuing 651,159,198 new shares to take its issued share capital to 7,240,744,377 shares. Noor Bank's operations will be completely integrated into DIB. "In line with our strategy, the completion of this deal means that we remain ideally positioned to expand our footprint in the region and beyond, in addition to supporting the UAE's vision for growth and prosperity," Chairman of Dubai Islamic Bank, Mohammed Ibrahim Al Shaibani said in the bourse filing. (Zawya)
- **NBS posts 6.9% YoY rise in net profit to AED545.5mn in FY2019** – Sharjah Islamic Bank (NBS) recorded net profit of AED545.5mn in FY2019, an increase of 6.9% YoY. Total Income rose 11% YoY to AED1,889.2mn in FY2019. Net operating income rose 19.9% YoY to AED1,303.8mn in FY2019. Total assets stood at AED46.4bn at the end of December 31, 2019 as compared to AED44.7bn at the end of December 31, 2018. Net customer financial receivables stood at AED25.1bn (+4.2% YoY), while customers' deposits stood at AED27.3bn (+3.3% YoY) at the end of December 31, 2019. EPS came in at AED0.19 in FY2019 as compared to AED0.17 in FY2018. (ADX)
- **Moody's affirms ratings of KFH, AUB Kuwait** – Moody's Investors Service has affirmed credit ratings of two Kuwaiti banks, according to a statement released. The global rating agency affirmed the 'A1' / Prime-1 long and short-term domestic and foreign currency deposit ratings of Kuwait Finance House (KFH), changing its outlook to 'Positive' from 'Stable'. Moreover, Moody's affirmed the 'A2' / Prime-1 long and short-term domestic and foreign currency deposit ratings of Ahli United Bank – Kuwait (AUB Kuwait), with a 'Stable' outlook. The rating agency also affirmed KFH's and AUB's baseline credit assessments (BCA) and adjusted BCAs at 'baa3'. (Zawya)
- **Oman's December consumer prices fall 0.15% YoY; fall 0.21% MoM** – National Centre for Statistics & Information in Muscat published Oman's consumer price indices for December which showed that the consumer prices fell 0.15% YoY and fell 0.21% MoM. Food and non alcoholic beverages prices rose 1.13% YoY in December. (Bloomberg)
- **Bahrain's December consumer prices rise 1.2% YoY; fall 0.9% YoY** – Information & eGovernment Authority in Manama published Bahrain's December consumer price indices which showed that the consumer prices for December rose 1.2% YoY as compared to a fall of 0.9% YoY. Food and non-alcoholic beverages price index rose 2.65% YoY in December. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,571.53	0.5	0.9	3.6
Silver/Ounce	18.10	1.7	0.3	1.4
Crude Oil (Brent)/Barrel (FM Future)	60.69	(2.2)	(6.4)	(8.0)
Crude Oil (WTI)/Barrel (FM Future)	54.19	(2.5)	(7.4)	(11.3)
Natural Gas (Henry Hub)/MMBtu	1.92	(3.0)	(6.8)	(8.1)
LPG Propane (Arab Gulf)/Ton	39.75	(0.3)	(5.4)	(3.6)
LPG Butane (Arab Gulf)/Ton	76.75	(0.3)	10.0	15.6
Euro	1.10	(0.3)	(0.6)	(1.7)
Yen	109.28	(0.2)	(0.8)	0.6
GBP	1.31	(0.4)	0.4	(1.4)
CHF	1.03	(0.2)	(0.4)	(0.4)
AUD	0.68	(0.2)	(0.7)	(2.7)
USD Index	97.85	0.2	0.3	1.5
RUB	62.08	0.3	0.8	0.1
BRL	0.24	(0.3)	(0.5)	(3.9)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,395.31	(0.5)	(0.8)	1.6
DJ Industrial	28,989.73	(0.6)	(1.2)	1.6
S&P 500	3,295.47	(0.9)	(1.0)	2.0
NASDAQ 100	9,314.91	(0.9)	(0.8)	3.8
STOXX 600	423.64	0.6	(0.8)	0.0
DAX	13,576.68	1.2	(0.2)	0.8
FTSE 100	7,585.98	0.8	(0.7)	(0.8)
CAC 40	6,024.26	0.7	(1.8)	(1.0)
Nikkei	23,827.18	0.2	(0.1)	0.3
MSCI EM	1,119.39	(0.2)	(2.4)	0.4
SHANGHAI SE Composite#	2,976.53	0.0	(3.8)	(1.6)
HANG SENG	27,949.64	0.2	(3.9)	(0.6)
BSE SENSEX	41,613.19	0.7	(1.1)	0.8
Bovespa	118,376.40	(1.2)	(0.1)	(1.7)
RTS	1,599.82	0.2	(2.3)	3.3

Source: Bloomberg (*\$ adjusted returns, # Market was closed on January 24, 2020)

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