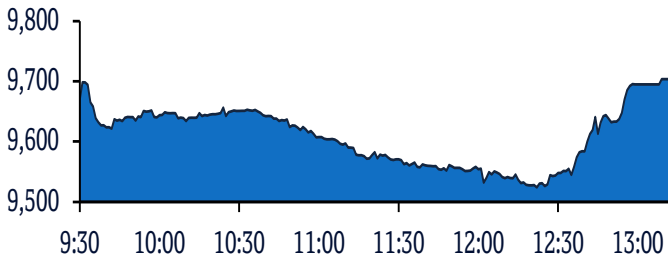


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.7% to close at 9,703.9. Losses were led by the Real Estate and Industrials indices, falling 2.3% and 1.5%, respectively. Top losers were Vodafone Qatar and Salam International Investment Limited, falling 6.3% and 5.5%, respectively. Among the top gainers, Gulf Warehousing Company gained 3.4%, while Qatar Navigation was up 1.3%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.1% to close at 7,758.2. Gains were led by the Real Estate Mgmt & Dev't and Software & Services indices, rising 2.4% and 2.2%, respectively. Jabal Omar Development Company rose 6.8%, while Northern Region Cement Company was up 3.4%.

Dubai: The DFM Index fell 0.9% to close at 2,673.0. The Real Estate & Construction index declined 2.4%, while the Transportation index fell 1.9%. Dubai Refreshments Company declined 4.4%, while Ekttitab Holding Company was down 4.1%.

Abu Dhabi: The ADX General Index gained 0.1% to close at 4,936.4. The Insurance index rose 1.9%, while the Banks index gained 0.6%. Al Ain Ahlia Ins. Co. rose 12.1%, while Emirates Insurance Company was up 5.3%.

Kuwait: Market was closed on February 25, 2020.

Oman: The MSM 30 Index fell 0.7% to close at 4,128.7. Losses were led by the Services and Industrial indices, falling 1.1% each. Oman Chlorine declined 5.3%, while Al Jazeera Services was down 3.7%.

Bahrain: The BHB Index gained marginally to close at 1,660.4. The Commercial Banks index rose 0.2%, while the other indices ended flat or in red. Al Salam Bank - Bahrain rose 1.0%, while Arab Insurance Group was up 0.7%.

Market Indicators	25 Feb 20	24 Feb 20	%Chg.
Value Traded (QR mn)	317.3	210.0	51.1
Exch. Market Cap. (QR mn)	536,964.2	540,516.4	(0.7)
Volume (mn)	102.6	70.5	45.6
Number of Transactions	9,137	6,205	47.3
Companies Traded	46	45	2.2
Market Breadth	10:31	7:35	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	18,029.20	(0.2)	(1.8)	(6.0)	14.2
All Share Index	2,922.32	(0.2)	(1.8)	(5.7)	15.0
Banks	4,186.74	0.3	(1.1)	(0.8)	14.7
Industrials	2,475.28	(1.5)	(3.3)	(15.6)	18.1
Transportation	2,375.95	0.8	(2.4)	(7.0)	12.2
Real Estate	1,357.12	(2.3)	(4.2)	(13.3)	10.2
Insurance	2,598.86	(0.6)	(0.9)	(5.0)	15.8
Telecoms	837.92	(1.4)	(2.6)	(6.4)	14.4
Consumer	7,657.44	(0.4)	(2.1)	(11.4)	17.7
Al Rayan Islamic Index	3,573.21	(0.7)	(2.9)	(9.6)	15.4

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Jabal Omar Dev. Co.	Saudi Arabia	29.80	6.8	6,380.8	9.8
Arab National Bank	Saudi Arabia	24.98	2.4	918.8	(8.8)
Banque Saudi Fransi	Saudi Arabia	33.65	1.7	1,384.8	(11.2)
Samba Financial Group	Saudi Arabia	27.85	1.6	1,682.5	(14.2)
Saudi Electricity Co.	Saudi Arabia	16.62	1.3	2,246.1	(17.8)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Sembcorp Salalah Power.	Oman	0.14	(3.6)	415.3	0.0
Emaar Properties	Dubai	3.66	(3.2)	23,171.0	(9.0)
Co. for Cooperative Ins.	Saudi Arabia	74.20	(2.9)	209.1	(3.3)
Barwa Real Estate Co.	Qatar	3.20	(2.8)	3,026.0	(9.5)
Qatar Islamic Bank	Qatar	16.09	(2.5)	2,310.4	5.0

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%
Gulf Warehousing Company	4.50	3.4	581.0	(17.9)
Qatar Navigation	5.90	1.3	80.2	(3.3)
Doha Bank	2.32	1.3	1,203.3	(8.3)
The Commercial Bank	4.64	0.9	2,596.2	(1.3)
Widam Food Company	6.25	0.8	37.7	(7.5)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.55	(1.8)	24,968.6	(10.6)
Qatar Aluminium Manufact. Co.	0.63	(2.5)	7,269.7	(19.3)
United Development Company	1.22	(1.3)	5,923.4	(19.6)
Masraf Al Rayan	4.10	0.7	5,918.3	3.5
Vodafone Qatar	1.09	(6.3)	5,019.6	(6.0)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Vodafone Qatar	1.09	(6.3)	5,019.6	(6.0)
Salam International Inv. Ltd.	0.41	(5.5)	720.8	(20.7)
Mazaya Qatar Real Estate Dev.	0.66	(4.2)	1,424.3	(8.2)
Dlala Brokerage & Inv. Hold. Co.	0.53	(3.3)	367.4	(12.9)
Gulf International Services	1.32	(3.2)	1,593.6	(23.4)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.31	0.0	58,577.4	(6.2)
Qatar Islamic Bank	16.09	(2.5)	36,563.7	5.0
Qatar Fuel Company	19.74	(0.2)	24,905.8	(13.8)
Ooredoo	6.53	(1.3)	24,428.7	(7.8)
Masraf Al Rayan	4.10	0.7	24,056.5	3.5

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*	9,703.88	(0.7)	(2.3)	(7.1)	(6.9)	86.60	146,430.1	14.2	1.4	4.4
Dubai	2,673.03	(0.9)	(2.4)	(4.2)	(3.3)	83.35	101,564.4	9.7	0.9	4.4
Abu Dhabi	4,936.37	0.1	(1.9)	(4.3)	(2.7)	54.82	141,177.2	14.5	1.3	5.1
Saudi Arabia	7,758.15	0.1	(3.1)	(5.9)	(7.5)	987.85	2,261,442.8	21.7	1.7	3.5
Kuwait#	6,072.05	(1.6)	(1.9)	(4.0)	(3.3)	148.96	112,984.7	15.3	1.4	3.5
Oman	4,128.69	(0.7)	(1.5)	1.2	3.7	6.49	17,551.1	8.2	0.8	7.2
Bahrain	1,660.44	0.0	(0.5)	0.2	3.1	2.95	26,030.8	11.7	1.0	4.3

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded (\$ mn) do not include special trades, if any, *Data as of February 24, 2020)

Qatar Market Commentary

- The QE Index declined 0.7% to close at 9,703.9. The Real Estate and Industrials indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Vodafone Qatar and Salam International Investment Limited were the top losers, falling 6.3% and 5.5%, respectively. Among the top gainers, Gulf Warehousing Company gained 3.4%, while Qatar Navigation was up 1.3%.
- Volume of shares traded on Tuesday rose by 45.6% to 102.6mn from 70.5mn on Monday. Further, as compared to the 30-day moving average of 83.7mn, volume for the day was 22.6% higher. Ezdan Holding Group and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 24.3% and 7.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	25.48%	23.82%	5,244,664.64
Qatari Institutions	40.73%	23.44%	54,878,127.89
Qatari	66.21%	47.26%	60,122,792.53
GCC Individuals	0.78%	0.91%	(398,975.73)
GCC Institutions	1.70%	8.36%	(21,109,604.75)
GCC	2.48%	9.27%	(21,508,580.48)
Non-Qatari Individuals	9.13%	10.19%	(3,358,731.92)
Non-Qatari Institutions	22.17%	33.28%	(35,255,480.13)
Non-Qatari	31.30%	43.47%	(38,614,212.05)

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
United Arab Bank	Moody's	Abu Dhabi	BCA	ba2	ba3	↓	Negative	-

Source: News reports, Bloomberg (* LT – Long Term, ST – Short Term, FSR- Financial Strength Rating, FCR – Foreign Currency Rating, LCR – Local Currency Rating, IDR – Issuer Default Rating, SR – Support Rating, LC – Local Currency, FBD – Foreign Bank Deposits, LBD – Local Bank Deposits, CRA – Counterparty Risk Assessment, 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
Arabian Shield Coop. Insurance Co.*	Saudi Arabia	SR	543.7	-13.0%	-	-	20.5	67.9%
Saudi Ceramic Co.*	Saudi Arabia	SR	1,235.1	20.1%	74.2	N/A	7.2	N/A
Waha Capital*	Abu Dhabi	AED	243.2	-70.0%	-	-	(616.3)	N/A
Emirates Driving Company*	Abu Dhabi	AED	229.1	5.8%	-	-	113.1	19.8%
Bahrain Ship Repairing & Eng. Co.*	Bahrain	BHD	8.3	-3.6%	-	-	3.1	-7.7%
BMMI*	Bahrain	BHD	104.3	0.4%	9.2	21.0%	9.2	9.5%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financial for FY2019)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
02/25	Germany	German Federal Statistical Office	GDP NSA YoY	4Q F	0.3%	0.3%	0.3%
02/25	Germany	German Federal Statistical Office	GDP WDA YoY	4Q F	0.4%	0.4%	0.4%
02/25	Japan	Bank of Japan	PPI Services YoY	Jan	2.3%	2.1%	2.1%

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
QGRI	Qatar General Insurance & Reinsurance Company	26-Feb-20	0	Due
QISI	Qatar Islamic Insurance Group	26-Feb-20	0	Due
MCCS	Mannai Corporation	27-Feb-20	1	Due
WDAM	Widam Food Company	1-Mar-20	4	Due
DBIS	Dlala Brokerage & Investment Holding Company	3-Mar-20	6	Due
AKHI	Al Khaleej Takaful Insurance Company	3-Mar-20	6	Due
QFBQ	Qatar First Bank	4-Mar-20	7	Due
QOIS	Qatar Oman Investment Company	8-Mar-20	11	Due
BRES	Barwa Real Estate Company	11-Mar-20	14	Due
QGMD	Qatari German Company for Medical Devices	11-Mar-20	14	Due

Source: QSE

Qatar

- QNNNS's bottom line rises 9.5% YoY and 24.5% QoQ in 4Q2019, above our estimate** – Qatar Navigation's (QNNNS) net profit rose 9.5% YoY (+24.5% QoQ) to QR127.9mn in 4Q2019, above our estimate of QR119.5mn (variation of +7.0%). The company's operating revenue came in at QR570.5mn in 4Q2019, which represents a decrease of 6.4% YoY (-0.4% QoQ). EPS amounted to QR0.48 in FY2019 as compared to QR0.45 in FY2018. The board of directors decided to recommend to the General Assembly to distribute a 30% cash dividend of the par value of a share, equivalent to QR0.3 per share. The General Assembly will be held on March 22, 2020. Milaha Maritime & Logistics' operating revenue has increased by QR26mn and net profit by QR21mn in 2019. Milaha Gas & Petrochem's operating revenue dropped by QR10mn, with net profit increasing by QR297mn against the same period last year. The increase in profit was the result of very strong performance from QNNNS' joint venture and associate companies, including QNNNS' 6% additional stake in Nakilat, and lower vessel impairments mainly related to QNNNS' tanker fleet. Milaha Offshore's operating revenue increased by QR86mn, with operating margins remaining strong. The 13% increase in revenue was attributable to vessel additions and increased utilization. Despite strong operational performance, the segment's bottom line decreased by QR207mn due to vessel impairments. Milaha Capital's revenue decreased by QR52mn and net profit by QR79mn, as a result of lower returns from the held for trading portfolio as well as reduced dividend income, driven by a reallocation of capital to increase QNNNS' stake in Nakilat by 6%. Milaha Trading's revenue decreased by QR46mn and bottom line by QR2mn. Commenting on the past year's results, QNNNS' Chairman, Sheikh Jassim bin Hamad bin Jassim Jaber Al Thani said, "I am satisfied with the year over year financial results, and more so with the foundation we have been putting in place to ensure sustainable growth well into the future. We have invested in new technologies, enhanced our service offerings and capabilities, and I am confident this will help QNNNS achieve its long term strategy objectives." QNNNS' President and CEO, Abdulrahman Essa Al-Mannai added, "We have made significant progress in improving our operations including increasing asset utilization, disposing of underperforming assets, cross selling services, and remaining vigilant and focused on the safety of our staff and operations." The company will conduct an investor conference call on February 27, 2020 to further discuss its results. (QNB FS Research, Peninsula Qatar)
- DHBK to hold its AGM and EGM on March 16** – Doha Bank's (DHBK) board of directors invited its shareholders to attend the Ordinary General Assembly Meeting (AGM) and Extra Ordinary General Assembly Meeting (EGM) which will be held on March 16, 2020. However, if the quorum required is not attained, a second meeting will be held on March 30, 2020. (QSE)
- WOQOD to hold its AGM on March 18** – Qatar Fuel Company's (WOQOD) board of directors invited its shareholders to attend the Annual General Assembly Meeting (AGM) which will be held on March 18, 2020. However, if the quorum required is not attained, a second meeting will be held on March 31, 2020. (QSE)
- QATI to enhance its focus on lower volatility, higher frequency risks** – Qatar Insurance Company (QATI) will continue to execute on its strategy of enhancing its focus on lower volatility and higher frequency risks, which are expected to provide it with a more stable and predictable return on capital, according to QATI's board of directors' report. The report stated that the insurance market in the region is expected to grow along with GDP as the rising population and improving awareness, as well as mandatory insurance schemes, improved regulation, and infrastructure investments generate greater demand. During the meeting, the shareholders discussed the group's annual performance and endorsed the recommended distribution of cash dividend payout of 15% for the year ended December 31, 2019. The meeting also approved QATI Group's consolidated financial statements, independent auditor's report, board of directors and corporate governance reports for 2019. During the AGM, the shareholders also finalized the appointment of the auditors for 2020. The members of the board of directors for the period 2020-2022 were also elected during the meeting. (Gulf-Times.com)
- QFBQ successfully exits Shari'ah-compliant aviation deal** – Qatar First Bank (QFBQ) has announced the successful exit of a Shari'ah-compliant aviation deal, along with its investors, through the sale of two Boeing 737-900ER aircraft. This comes in line with the bank strategy and directive of offering international co-investment opportunities to its clients and to the Qatari market. The two aircraft were on a seven-year long-term Shari'ah-compliant lease contract to Indonesia's Lion Air. This is the first deal of its kind that the bank is undertaking in the field of aviation through the global investment management platform that the bank launched and attracts increased opportunities for its clients and investors. The investment product has achieved for its holders a cash dividend of 9% annually, whereby the profits are distributed every three months, while the internal return on investment of the product is about 12%, QFBQ noted. (Gulf-Times.com)
- MCCS to hold investors relation conference call on March 3** – Mannai Corporation (MCCS) has announced that the Investors Relation conference call will be held on March 3, 2020 to discuss the company's financial and operational performance. (QSE)
- Vodafone Qatar invested QR630mn in local market last year** – Vodafone Qatar invested around QR630mn in 2019 on strengthening its network, wireless internet services and improving the information technology infrastructure in the country, according to Vodafone Qatar's CEO, Sheikh Hamad bin Abdullah bin Jassim Al Thani. The telecom major's investments in the local market will continue this year as well, he added. In a statement to Qatar News Agency (QNA) on the sidelines of the company's Ordinary General Assembly Meeting, Sheikh Hamad expected the returns on the investments made by the company to have positive impact on its performance. He added Vodafone Qatar contributed to the development of the necessary infrastructure for communication services for two football

stadiums. On the coverage of its 5G network, Sheikh Hamad said around 70% of Doha had been covered nearly two months ago, stressing that the company hopes to increase the coverage to reach a rate of 100% soon, and to establish a strong infrastructure in the State of Qatar in terms of information technology. Vodafone Qatar managed to cover many areas in terms of fixed-line phones, including Lusail, West Bay, Al Sadd and Al Wakrah, adding that the company has delivered fixed-line services to about 30 areas within one year, which is considered an achievement for the company, he said. (Qatar Tribune)

- Qatar's cost of living, based on CPI inflation, declines 0.41% YoY in January** – Qatar's cost of living, based on consumer price index (CPI) inflation, declined 0.41% YoY in January 2020 mainly on fall in the indices of housing, utilities, recreation and communication, according to the official statistics. The country witnessed 0.9% shrinkage in inflation in January compared with December 2019, according to the Planning and Statistics Authority (PSA). The index of housing, water, electricity and other fuels - with a weight of 21.89% in the CPI basket - saw a 3.69% and 0.9% declines YoY and MoM respectively in January 2020. The CPI of January 2020 excluding "housing, water, electricity, gas and other fuels", however, rose 0.55% on yearly basis, even as it fell 0.78% on monthly basis. The index of recreation and culture, which has a 12.68% weight in the CPI basket, saw 4.15% and 5.43% drop both YoY and MoM respectively this January. Communication, which carries 5.87% weight, saw its group index shrank 2.44% and 0.09% on yearly and monthly basis respectively in January 2020. In the case of furniture and household equipment, which has a 7.7% weight in the CPI basket, the index was down 0.49% on a yearly basis, but rose 0.63% MoM in January 2020. (Gulf-Times.com)
- Beema board recommends 10% dividends to shareholders** – The board of directors of Damaan Islamic Insurance Company (Beema) has recommended to distribute 7% to policy holders for whom no claims have been registered, and to approve dividends distribution to shareholders at 10% of the nominal value of the share. During Beema's Annual General Assembly Meeting, the board also recommended the transfer of QR50mn from the retained earnings account of shareholders to the statutory reserve, in addition to what is transferred annually so that the legal reserve amounts to QR154.18mn. The year 2019 was a real test for the strength and solidity of Beema to ensure that it maintains its growth rates, develops its performance, and prepares for a new phase of success and growth after completing its 10th year. Beema launched during the year more insurance products through the electronic windows and thanks to its policyholders and customers who helped Beema to retain the leadership in Qatar Takaful insurance market and penetrate larger market share. In addition, the company's rating (BAA1) by Moodys has helped it to increase its business and gain the trust of its customers. (Gulf-Times.com)
- Al-Kuwari: Islamic finance in Qatar is witnessing unprecedented expansion** – Islamic finance, which is a key economic pillar of Qatar, has been witnessing an unprecedented expansion and the assets within the sector saw a CAGR of 8% since 2015 to reach \$129bn in the first half of 2019, according to HE Minister of Commerce and Industry Ali bin Ahmed Al-Kuwari. The Islamic

financial assets constitute 33% of Qatar's total financial system assets, he told the sixth Doha Islamic Finance forum, organized by Bait Al Mashura Financial Consultants. He said Islamic banks in Qatar are actively continuing their work to take advantage of this technology to develop and expand their activities and enhance their capabilities to compete in global financial markets and improve their mechanisms for cross-border transactions, besides developing money market products and Sukuk and support in financing infrastructure projects. The financial sector in general and Islamic finance in particular remains one of the main pillars of the national economy as the country further strengthens its economic diversification strategy. A recent report from Oxford Business Group found that growth prospects of Qatar's Islamic financial services sector are closely tied to the continued expansion of the country's economy, which is expected to remain buoyant as its natural gas exports persist. (Gulf-Times.com)

- Qatar Airways, American Airlines sign strategic codeshare agreement** – Qatar Airways has signed a significant codeshare agreement with American Airlines in a move that will increase commercial cooperation, bolster connectivity and create hundreds of new travel options for millions of customers. The new agreement will establish a partnership at a global level between two of the world's most connected airlines, linking some of the largest airport hubs in the US to the Hamad International Airport (HIA) in Doha, voted the Middle East's best hub and holder of a place in the world's top five airports for the last three years. The codeshare agreement with American Airlines (AA) will allow Qatar Airways' passengers to travel on AA domestic flights departing Boston (BOS), Dallas (DFW), Chicago (ORD), Los Angeles (LAX), Miami (MIA), New York (JFK) and Philadelphia (PHL), and as well as on AA international flights to and from Europe, the Caribbean, Central and South America (subject to regulatory approval). American Airlines passengers will be able to book travel on all Qatar Airways flights between the US and Qatar and beyond to a range of destinations in the Middle-East, East Africa, South Asia, the Indian Ocean and South East Asia (subject to regulatory approval). Following the reactivation of the codeshare, both airlines will also explore the opportunity for American Airlines to operate flights between the US and Qatar, along with a number of joint commercial and operational initiatives to further strengthen this renewed partnership. (Gulf-Times.com)
- Al-Attiyah: Qatar's resilience has turned blockade into opportunity** – The resilience of Qatar and its flexible strategic approaches promoting bilateral and multilateral relations with different countries have considerably helped in making the past 1,000 days of the unjust blockade a period of unprecedented achievement and development, HE the Deputy Prime Minister and Minister of State for Defense Affairs Khalid bin Mohamed Al-Attiyah has said. He made the observation during an event at Georgetown University in Qatar. He summed up the main factors behind what he called "1,000 days of victory and achievement" as the flexibility of Qatar's long-range strategy, the support of its multiple friends around the world and the strength of its people - Qataris and expatriates, and its well-established economy. HE Al-Attiyah noted that the blockade involved treachery that hurt the very social fabric of the region, something that needs generations to heal. Besides, it was an unprecedented case of

aggression that targeted the stability and well-being of the country. (Gulf-Times.com)

- **Al-Kaabi holds talks with US Secretary of Treasury in Doha** – HE the Minister of State for Energy Affairs Saad bin Sherida Al-Kaabi, held talks in Doha with Steven Mnuchin, US Secretary of the Treasury, who is currently on an official visit to Qatar. Discussion during the talks focused on the various aspects of cooperation between both countries and means to enhance them. During the meeting held in the presence of QCB Deputy Governor and Chairman of the National Anti-Money Laundering and Combating the Financing of Terrorism Committee, Sheikh Mohammed bin Hamad al-Thani, they stressed the importance of the Qatari-US strategic partnership and reviewed the bilateral relations in various financial and banking aspects. (Gulf-Times.com)

International

- **US consumer confidence holds at higher levels despite coronavirus** – US consumer confidence edged up in February, suggesting a steady pace of consumer spending that could support the economy despite growing fears over the fast-spreading coronavirus, which have roiled financial markets. The Conference Board said its consumer confidence index ticked up to 130.7 this month from a downwardly revised 130.4 in January. Economists polled by Reuters had forecast it edging up to 132.0 in February. The survey made no mention of the coronavirus and economists do not believe that the illness, which has killed more than 2,000 people, mostly in China, and spread to other countries, would hurt consumer confidence. They noted that consumer confidence remained strong even as trade tensions between Washington and Beijing weighed on business sentiment. The Conference Board survey's present situation measure, based on consumers' assessment of current business and labor market conditions, fell to 165.1 this month from 173.9 in January. However, the expectations index increased to 107.8 this month from 101.4 in January. The report follows a survey by data firm IHS Markit showing its flash Composite PMI Output Index, which tracks the US manufacturing and services sectors, contracted to a 76-month low in February. IHS Markit attributed the plunge in the index to below the 50 threshold to the coronavirus outbreak, which it said was hurting the travel and tourism industries as well as disrupting supply chains. Strong consumer confidence suggests the longest economic expansion on record, now in its 11th year, could withstand disruptions from the coronavirus. (Reuters)
- **Fed's Kaplan says unclear right now if coronavirus calls for US rate change** – Federal Reserve Bank of Dallas President Robert Kaplan said events are still too fluid around the coronavirus outbreak to say the US central bank needs to lower short-term rates, the Wall Street Journal (WSJ) reported. Kaplan said when it comes to central-bank interest-rate policy and the coronavirus, "it's too soon to make a judgment about how it might relate to monetary policy," according to the report. "I still think we are a number of weeks away from being able to make the judgment" whether a rate change is required, the WSJ reported Kaplan as saying. (Reuters)
- **Trump says Indian tariffs probably the world's highest** – The US President, Donald Trump criticized India for its high tariffs, but held out hopes of a trade deal by the end of the year. Trump, who held talks with Indian leaders during a two-day visit, said the US wanted to be treated fairly and given reciprocal access to its market. "India is probably the highest tariff nation in the world," he said. Ahead of his trip, negotiators from the two countries tried to close differences on tariffs, price controls on medical devices and access to dairy and poultry markets. "If the deal happens with India it will be at the end of this year and if it doesn't happen then we will do something else," Trump said. (Reuters)
- **CBI: UK retail sales gauge inches up this month to highest since April** – British retail sales crept up in late January and early February, although this was still the best performance since April 2019, a survey showed. The Confederation of British Industry's monthly retail sales gauge rose to +1 in February from zero in January. A Reuter's poll of economists had pointed to a reading of +4. The survey also showed retailers were planning to raise investment in the year ahead for the first time in two years. Although investment from retailers accounts for only a small share of overall business investment, this chimed with comments from Bank of England Chief Economist, Andy Haldane, who said he saw signs of "stirring in the undergrowth" in terms of companies' capital spending plans. (Reuters)
- **Falling exports bring German economy to standstill in fourth quarter** – Shrinking exports held back German economic activity in the fourth quarter of last year, detailed data showed, confirming that Europe's largest economy was stagnating even before the coronavirus outbreak began. Germany's export-dependent manufacturers are being hit by a slowing world economy and increased business uncertainty linked to tariff disputes and Britain's exit from the European Union (EU). The Federal Statistics Office said exports fell by 0.2% in the fourth quarter from the third, which meant that net trade took off 0.6 percentage points from GDP growth. The trade outlook remains clouded as the coronavirus epidemic is adding another risk, Ifo President Clemens Fuest said. The Ifo index for export expectations fell in February, with car companies among the most pessimistic, Fuest added. Gross investment - which includes construction - rose by 2.9% in the last quarter of the year, adding 0.6 percentage points to growth, the statistics office said. State consumption added 0.1 percentage points to growth while private consumption, which has been a key pillar of support recently, made no contribution. (Reuters)
- **China opens fuel export taps as coronavirus slams domestic demand** – China has ramped up fuel exports to compensate for losses to domestic demand as it grapples with the coronavirus outbreak, having not been able to prevent a surplus in the world's second-largest oil consumer with cutbacks in its refining output. China's refined oil product exports have surged to well above year-ago levels, according to trade sources and industry analysts, adding to supplies in the rest of Asia, which is also dealing with lackluster demand due to the coronavirus epidemic. China's refined oil product demand is expected to fall 35.7% in the first quarter compared to a year earlier, leading to a surplus of 27.08mn tons in the local market, said the research institute for China National Petroleum Corp (CNPC). The virus outbreak, which originated in the central industrial hub of Wuhan, has killed more than 2,600 in China and led to extensive travel and transportation restrictions. (Reuters)

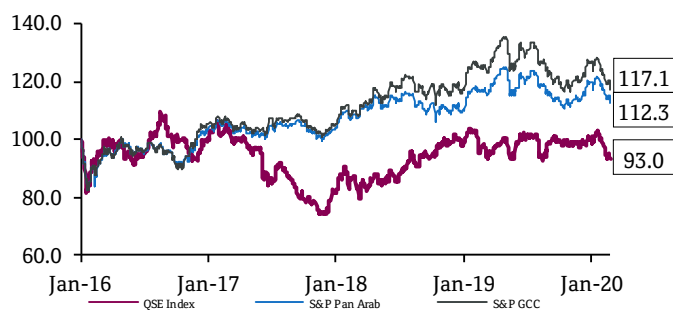
Regional

- **GCC countries are leading the world in water desalination** – GCC countries produce approximately 40% of the total global water desalination and have the highest desalination capacity worldwide at 81%. According to a report by Ventures OnSite, a construction data provider, Saudi Arabia is responsible for about one-fifth of global production and leads the world in the volume of desalinated water it produces which makes up 50% of its water consumed. The Kingdom is the largest desalination market in the world producing around 4mn cubic meters of desalinated water per day, the data showed, and while close to \$80bn is expected to be invested in new projects over the next 10 years in Saudi Arabia. The UAE is developing key desalination projects. The Taweelah plant in Abu Dhabi is expected to have a capacity of 909,200 cubic meters of water per day and will open in 4Q2022. The Jebel Ali plant complex, with a capacity of 150,000 cubic meters of water per day will open in 2Q2020, while Sharjah Electricity and Water Authority (SEWA) is building by 2022 a desalination project with daily 60mn imperial gallons (MIGD) capacity. Oman's desalination market has been expanding by 5% per year, the report stated. It has nine large desalination plants and 47 small ones, all of which supply about 86% of the Oman's potable water. The second edition of the MENA Desalination Projects Conference will take place in Abu Dhabi on March 10 and March 11, 2020. (Zawya)
- **Saudi Arabia's ex-Energy Minister appointed as investment Chief** – The man sacked as Saudi Arabia's Energy Minister in September has been tapped to head a new investment ministry, in a cabinet reshuffle announced that also created ministries for tourism and sports. Khalid Al-Falih, who previously chaired state oil company Saudi Aramco and oversaw more than half the economy of the world's top oil exporter, was widely seen as having fallen out of favor when he was removed from the energy ministry. Attracting billions of dollars in foreign investment is key to ambitious plans championed by de facto ruler Crown Prince, Mohammed bin Salman to end the economy's dependence on crude exports and open up its long-cloistered society. According to royal orders published in state media, Falih's new ministry replaces the Saudi Arabian General Investment Authority (SAGIA), which had been responsible for issuing investment licenses to foreign companies however, did not control other key regulations. "Falih's return is a small surprise. More important is the upgrade of the General Investment Authority to a full ministry, which underlines the importance of private sector home-grown and foreign direct investment (FDI) for the future of Saudi," a Managing Director at Tellimer, Hasnain Malik said. It was not immediately clear if the restructuring would expand investment entity's authorities. Foreign direct investment (FDI) rose to \$3.50bn in the first nine months of 2019 from \$3.18bn a year earlier, however, still lags behind Riyadh's ambitions. The cornerstone of Prince Mohammed's plans to open the gates of foreign capital was supposed to be the initial public offering (IPO) of Saudi Aramco, however, many global investors steered clear when the oil giant debuted on the Riyadh bourse in December. (Reuters)
- **Saudi Aramco injects 800k tons/year of CO2 to enhance oil recovery** – Saudi Aramco has injected 800k tons/year of CO2 to enhance oil recovery. Saudi Aramco's CEO, Amin Nasser said at an event in Riyadh on the company's current use of carbon dioxide to boost oil production. Saudi Aramco is looking to make a map of locations in Saudi Arabia where it could sequester CO2. (Bloomberg)
- **OPEC+ will take responsible approach to coronavirus** – Saudi Arabia's Energy Minister, Prince Abdulaziz bin Salman said he was confident that OPEC and its partner oil-producing nations, the so-called OPEC+ group, would respond responsibly to the spread of the coronavirus. He also said Saudi Arabia and Russia would continue to engage regarding oil policy. "Everything serious requires being attended to," the minister, told reporters at an industry conference in Riyadh. An OPEC+ committee this month recommended the group deepen its output cuts by an additional 600,000 bpd. Saudi Arabia supports the further oil production cut; however, Russia is yet to announce its final position on the matter. The minister said he was still talking with Moscow and that he was confident of Riyadh's partnership with the rest of the OPEC+ group. "We did not run out of ideas, we have not closed our phones. There is always a good way of communicating through conference calls," he said. He added that OPEC+ should not be complacent about the coronavirus. "Everything serious requires attendance," he told reporters. Prince Abdulaziz said he was confident that every member in the OPEC+ group was a responsible and responsive oil producer. (Reuters)
- **SAMA issues licensing guidelines for digital-only banks** – The Saudi Arabian Monetary Authority (SAMA) has issued additional licensing guidelines for digital-only banks in the Kingdom, the regulator stated. Conditions for the digital-only bank include that it should be set up as a locally incorporated joint-stock company and maintain a physical presence in Saudi Arabia. The promoter should also have experience and knowledge in the financial industry and technology-related expertise. While it is not expected to establish physical branches, the regulator may require setting up customer service centers in some exceptional cases. Other requirements include a clearly articulated business plan that covers the IT infrastructure, the financial projections, the target segment, and the proposed products and services. These guidelines must be considered as additional conditions to be met along with the licensing guidelines for conventional banks, SAMA stated in the detailed report on the licensing criteria for digital-only banks. The Kingdom has launched several initiatives to embrace the digital transformation in the financial services industry, including launching a regulatory sandbox to allow start-ups to test their products and services in an environment with relaxed controls. (Zawya)
- **UAE plans for 44% of energy supply to come from renewables** – The UAE plans to produce 44% of its energy mix from renewable sources, according to UAE's Energy Minister, Suhail Al Mazrouei. The country aims to capture 5mn tons of carbon dioxide by 2030, he said. (Bloomberg)
- **Abu Dhabi awards AED2.374bn in infrastructure contracts for Riyadh City South project** – Modon Properties and the Abu Dhabi Housing Authority have awarded infrastructure contracts for phases two and five of the Riyadh City South project, worth AED2.374bn, the Emirate of Abu Dhabi's media office stated. The work awarded includes more than 6000 residential plots, a

university and other buildings for the project located in Abu Dhabi, capital of the UAE. (Reuters)

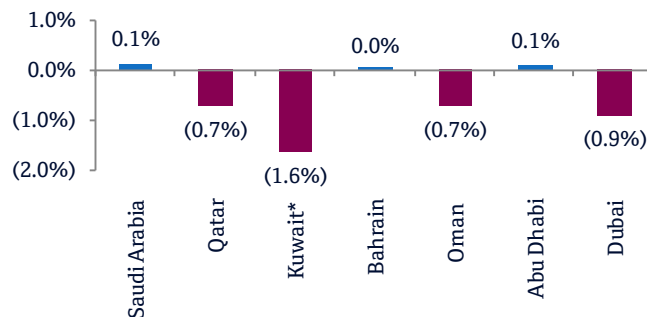
- **NBK Report: Kuwait's inflation may rise to 2% in 2020** – Kuwait's inflation could increase to a moderate level ranging from 1.5% to 2% in 2020. In the fourth quarter of 2019, the country's consumer price index (CPI) eased to 1.5% YoY as compared to 1.7%, according to a report released by the National Bank of Kuwait (NBK). In 2019, inflation edged up to 1.1% from 0.6% in the previous year, in line with NBK's previous predictions. The rise was backed by higher core inflation at 2.4% from 1.9% amid healthy gains in consumer spending and a rapid rise in transportation costs. Despite the increase in food prices over 2019, housing costs continued to decline on an annual basis as a result of continued weakness in rents. (Zawya)
- **GFH marks listing of \$300mn Sukuk on Nasdaq Dubai** – GFH Financial Group (GFH) has marked the listing of the Group's \$300mn Sukuk on the region's international exchange, i.e. Nasdaq Dubai. The Sukuk is a landmark achievement for GFH as it enters the international debt capital markets. The capital raised supports the expansion of Bahrain-based GFH's activities, enhancing the financial position of the Group and funding its next phase of growth. The five-year Sukuk was oversubscribed 2.5 times with a total book size exceeding \$750mn. 53% of the issuance has been allocated to regional investors and 47% to international investors. Fund managers accounted for 61% of the investors and 39% were financial institutions. Chairman of GFH Financial Group, Jassim Alseddiqi said the "listing our Sukuk on a well-regulated and international trading platform like Nasdaq Dubai, will expand GFH's reach and visibility among the global and regional investor community. The overwhelming response received on our Sukuk issuance demonstrates the strong confidence investors have in GFH and its future potential. As we embark on the next phase of our growth, we remain committed to further strengthening our position as a leading regional and international financial group." (Zawya)
- **Bahrain's Keypoint Trust raises ownership in GFH to 5%** – Bahrain's Keypoint Trust has increased its ownership in GFH Financial Group (GFH) to 5.03% of the total paid-up capital. The total number of shares owned by Keypoint Trust in GFH reached 185.354mn shares after raising its stake, according to GFH's disclosure. It is noteworthy to mention that in 2019, GFH's net profits attributable to the shareholders dropped by 29.8% to \$80.1mn from \$114.1mn in 2018. (Zawya)
- **BMB's records net loss of \$3,919k in FY2019** – Bahrain Middle East Bank (BMB) recorded net loss of \$3,919k in FY2019. Net interest income fell 99.9% YoY to \$16k in FY2019. Total operating income fell 86.7% YoY to \$1,524k in FY2019. Total assets stood at \$20.6mn at the end of December 31, 2019 as compared to \$43.4mn at the end of December 31, 2018, while due to financial institutions stood at \$131.5mn (-12.7% YoY) at the end of December 31, 2019. Loss per share came in at 0.98 cents in FY2019. (Bahrain Bourse)
- **Bahrain sells BHD100mn 364-day bills; bid-cover at 1.69x** – Bahrain sold BHD100mn of 364 day bills due on February 25, 2021. Investors offered to buy 1.69 times the amount of securities sold. The bills were sold at a price of 97.476, having a yield of 2.56% and will settle on February 27, 2020. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg (*Data as of February 24, 2020)

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,635.14	(1.5)	(0.5)	7.8
Silver/Ounce	18.00	(3.4)	(2.6)	0.8
Crude Oil (Brent)/Barrel (FM Future)	54.95	(2.4)	(6.1)	(16.7)
Crude Oil (WTI)/Barrel (FM Future)	49.90	(3.0)	(6.5)	(18.3)
Natural Gas (Henry Hub)/MMBtu	1.93	(0.5)	(1.5)	(7.7)
LPG Propane (Arab Gulf)/Ton [#]	40.75	0.0	(5.8)	(1.2)
LPG Butane (Arab Gulf)/Ton	53.75	(6.9)	(15.0)	(17.9)
Euro	1.09	0.3	0.3	(3.0)
Yen	110.20	(0.5)	(1.3)	1.5
GBP	1.30	0.6	0.3	(1.9)
CHF	1.02	0.3	0.2	(0.9)
AUD	0.66	(0.0)	(0.3)	(5.9)
USD Index	98.97	(0.4)	(0.3)	2.7
RUB	65.38	2.1	2.1	5.5
BRL	0.23	0.0	0.0	(8.4)

Source: Bloomberg (*Market was closed on February 25, 2020)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,269.42	(2.6)	(5.6)	(3.8)
DJ Industrial	27,081.36	(3.1)	(6.6)	(5.1)
S&P 500	3,128.21	(3.0)	(6.3)	(3.2)
NASDAQ 100	8,965.61	(2.8)	(6.4)	(0.1)
STOXX 600	404.60	(1.7)	(5.3)	(5.7)
DAX	12,790.49	(1.8)	(5.6)	(6.3)
FTSE 100	7,017.88	(1.4)	(4.9)	(8.7)
CAC 40	5,679.68	(1.8)	(5.6)	(7.9)
Nikkei	22,605.41	(1.9)	(1.9)	(5.4)
MSCI EM	1,056.54	0.1	(2.6)	(5.2)
SHANGHAI SE Composite	3,013.05	(0.4)	(0.7)	(1.9)
HANG SENG	26,893.23	0.3	(1.5)	(4.6)
BSE SENSEX	40,281.20	0.2	(2.0)	(3.2)
Bovespa [#]	113,681.40	0.0	0.0	(9.9)
RTS	1,446.11	(5.2)	(5.2)	(6.6)

Source: Bloomberg (*\$ adjusted returns, #Market was closed on February 25, 2020)

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