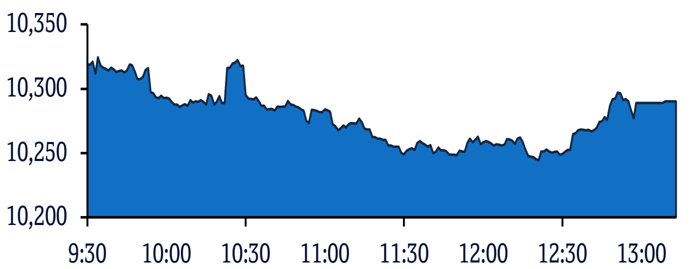
Daily Market Report

Sunday, 29 November 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.1% to close at 10,290.2. Losses were led by the Real Estate and Telecoms indices, falling 0.7% and 0.6%, respectively. Top losers were Qatar Industrial Manufacturing and Widam Food Company, falling 5.2% and 5.0%, respectively. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 7.7%, while Mannai Corporation was up 2.5%.

GCC Commentary

Saudi Arabia: The TASI Index rose 0.1% to close at 8,693.5. Gains were led by the Pharma, Biotech & Life Science and Health Care Equipment & Svc indices, rising 2.5% and 2.4%, respectively. Dr. Sulaiman Al Habib Medical Services Group rose 7.5%, while Saudi Re for Cooperative Reinsurance Company was up 5.3%.

Dubai: The DFM Index gained 0.3% to close at 2,420.0. The Telecommunication index rose 1.9%, while the Transportation index gained 0.9%. Ajman Bank rose 3.4%, while Al Salam Group Holding was up 3.3%.

Abu Dhabi: The ADX index fell 0.3% to close at 4,971.9. The Financial Services & Investment index declined 2.5%, while the Telecommunication index fell 1.1%. National Takaful Company and Bank of Sharjah were down 5.0%.

Kuwait: The Kuwait All Share Index declined marginally to close at 5,558.7. The Utilities index fell 1.5%, while the Consumer Goods index declined 1.1%. First Investment Company fell 5.3%, while First Takaful Insurance Company was down 5.0%.

Oman: Market was closed on November 26, 2020.

Bahrain: The BHB Index gained 0.4% to close at 1,467.8. The Services index rose 2.0%, while the Industrial index gained 0.9%. Ithmaar Holding rose 6.7%, while Bahrain Telecommunication Company was up 3.4%.

Market Indicators	26 Nov 20	25 Nov 20	%Chg.
Value Traded (QR mn)	414.5	505.7	(18.0)
Exch. Market Cap. (QR mn)	591,490.5	592,579.2	(0.2)
Volume (mn)	156.5	200.0	(21.8)
Number of Transactions	10,856	11,253	(3.5)
Companies Traded	45	47	(4.3)
Market Breadth	14:29	24:19	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,782.58	(0.1)	1.8	3.1	17.5
All Share Index	3,162.88	(0.2)	1.6	2.1	18.1
Banks	4,226.54	(0.3)	1.0	0.1	14.9
Industrials	3,054.51	0.1	4.8	4.2	27.3
Transportation	3,224.54	0.3	2.4	26.2	14.7
Real Estate	1,836.28	(0.7)	2.2	17.3	16.2
Insurance	2,430.73	1.0	(1.1)	(11.1)	N.A.
Telecoms	928.10	(0.6)	0.5	3.7	13.8
Consumer	8,141.91	(0.2)	(0.1)	(5.8)	24.1
Al Rayan Islamic Index	4,185.87	(0.2)	2.1	5.9	19.1

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Dr Sulaiman Al Habib	Saudi Arabia	115.00	7.5	1,223.9	130.0
Saudi Kayan Petrochem.	Saudi Arabia	12.00	3.4	26,109.2	8.1
Bahrain Telecom Co.	Bahrain	0.55	3.4	571.0	43.2
Riyad Bank	Saudi Arabia	20.94	2.8	5,667.7	(12.8)
Dar Al Arkan Real Estate	Saudi Arabia	8.71	2.1	29,055.7	(20.8)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bank Albilad	Saudi Arabia	26.95	(1.1)	980.8	0.2
Emirates Telecom Group	Abu Dhabi	16.88	(1.1)	2,026.8	3.2
National Comm. Bank	Saudi Arabia	43.00	(0.9)	2,022.1	(12.7)
The Commercial Bank	Qatar	4.42	(0.9)	1,369.8	(6.0)
Ooredoo	Qatar	6.72	(0.9)	825.3	(5.1)

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 General Ins. & Reins. Co.	2.38	7.7	2.2	(3.3)
Mannai Corporation	3.04	2.5	5.1	(1.3)
Dlala Brokerage & Inv. Holding Co.	1.93	1.9	8,277.6	215.1
Medicare Group	8.78	1.4	120.3	3.9
Industries Qatar	10.78	1.2	880.8	4.9

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Industrial Manufacturing	3.04	(5.2)	16.1	(15.0)
Widam Food Company	6.60	(5.0)	2,720.0	(2.4)
Qatar National Cement Company	4.00	(2.7)	301.1	(29.2)
Qatari German Co for Med. Dev.	1.75	(2.6)	1,185.9	201.4
INMA Holding	3.48	(1.8)	240.2	83.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Gas Transport Company Ltd.	3.25	0.7	32,952.0	36.1
Ezdan Holding Group	1.59	(0.8)	19,747.2	158.5
Mazaya Real Estate Development	1.21	0.3	15,520.5	67.6
Salam International Inv. Ltd.	0.61	(1.3)	11,853.0	18.8
Baladna	1.90	(1.3)	10,830.9	89.5

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar Gas Transport Co. Ltd.	3.25	0.7	107,540.0	36.1
QNB Group	18.07	(0.3)	53,653.5	(12.2)
Ezdan Holding Group	1.59	(0.8)	31,705.4	158.5
Baladna	1.90	(1.3)	20,742.4	89.5
Mazaya Real Estate Development	1.21	0.3	18,363.1	67.6

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*	10,290.20	(0.1)	1.8	6.2	(1.3)	112.01	159,323.9	17.5	1.5	3.8
Dubai	2,420.00	0.3	4.5	10.6	(12.5)	65.50	91,661.7	11.3	0.9	4.0
Abu Dhabi	4,971.93	(0.3)	1.2	6.7	(2.0)	116.18	196,031.6	19.2	1.4	4.9
Saudi Arabia	8,693.47	0.1	1.3	9.9	3.6	3,476.71	2,471,532.2	32.9	2.1	2.4
Kuwait	5,558.68	(0.0)	0.6	2.1	13.2	407.72	101,379.2	36.8	1.4	2.4
Oman#	3,623.83	(0.1)	(0.1)	1.9	(9.0)	10.70	16,442.5	10.8	0.7	6.8
Bahrain	1,467.81	0.4	1.1	2.8	(8.8)	2.99	22,403.0	14.3	1.0	4.6

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 November 24, 2020)

Qatar Market Commentary

- The QE Index declined 0.1% to close at 10,290.2. The Real Estate and Telecoms indices led the losses. The index fell on the back of selling pressure from Qatari shareholders despite buying support from GCC, Arab and Foreign shareholders.
- Qatar Industrial Manufacturing and Widam Food Company were the top losers, falling 5.2% and 5.0%, respectively. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 7.7%, while Mannai Corporation was up 2.5%.
- Volume of shares traded on Thursday fell by 21.8% to 156.5mn from 200.0mn on Wednesday. Further, as compared to the 30-day moving average of 234.4mn, volume for the day was 33.2% lower. Qatar Gas Transport Company Ltd. and Ezdan Holding Group were the most active stocks, contributing 21.1% and 12.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	39.22%	37.30%	7,966,493.8
Qatari Institutions	11.89%	18.61%	(27,844,572.5)
Qatari	**51.11%**	**55.91%**	**(19,878,078.7)**
GCC Individuals	1.22%	0.62%	2,493,604.1
GCC Institutions	3.32%	2.73%	2,446,682.1
GCC	**4.54%**	**3.35%**	**4,940,286.1**
Arab Individuals	10.07%	9.01%	4,401,750.0
Arab	**10.07%**	**9.01%**	**4,401,750.0**
Foreigners Individuals	2.80%	2.78%	81,377.2
Foreigners Institutions	31.47%	28.94%	10,454,665.3
Foreigners	**34.27%**	**31.73%**	**10,536,042.6**

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

Ratings and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
First Abu Dhabi Bank	R&I	Abu Dhabi	IR	AA-	AA-	–	Stable	–
Kuwait Investment Co.	Moody's	Kuwait	LTR/LT-CFR/PD	–	Ba2/Ba2/Ba2	–	Negative	–

Source: News reports, Bloomberg (* IR – Issuer Rating, LT – Long Term, LTR – Long Term Rating, CFR – Corp. Family Rating, PD – Probability of Default)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
11/26	EU	European Central Bank	M3 Money Supply YoY	Oct	10.5%	10.3%	10.4%
11/27	EU	European Commission	Consumer Confidence	Nov	-17.6	–	-17.6
11/26	Germany	GfK AG	GfK Consumer Confidence	Dec	-6.7	-4.9	-3.2
11/27	France	INSEE National Statistics Office	CPI MoM	Nov	0.2%	0.0%	0.0%
11/27	France	INSEE National Statistics Office	CPI YoY	Nov	0.2%	0.1%	0.0%
11/27	France	INSEE National Statistics Office	PPI MoM	Oct	0.1%	–	0.3%
11/27	France	INSEE National Statistics Office	PPI YoY	Oct	-2.0%	–	-2.3%
11/27	France	INSEE National Statistics Office	GDP QoQ	3Q2020	18.7%	18.2%	18.2%
11/27	France	INSEE National Statistics Office	GDP YoY	3Q2020	-3.9%	-4.3%	-4.3%
11/27	Japan	Statistics Bureau of Japan	Tokyo CPI YoY	Nov	-0.7%	-0.5%	-0.3%
11/27	India	Ministry of Statistics and Programme Implementation	GDP YoY	3Q2020	-7.5%	-8.2%	-23.9%
11/27	India	Ministry of Statistics and Programme Implementation	GVA YoY	3Q2020	-7.0%	-7.7%	-22.8%

Source: Bloomberg (s.a. = seasonally adjusted; n.s.a. = non-seasonally adjusted; w.d.a. = working day adjusted)

Qatar

- **QIIK's lending portfolio 'very well diversified', says CEO –** Qatar International Islamic Bank's (QIIK) lending portfolio is very well diversified, focusing on all key segments such as retail, small businesses and large corporate, according to QIIK's CEO, Abdulbasit Ahmed Al-Shaibei. Al-Shaibei said in an interview with Gulf Times, "We focus significantly on IT systems and risk mitigation. In 2021, we will continue investing in technology, risk mitigation and human resources. QIIK would continue to spruce up its nation-wide network, giving a uniform look to all its branches. That said, we want to discourage our customers to come to the branch – unless of course, there is a pressing need. We do this by providing everything through digitalization, alterative channels. When there is an actual requirement, customers may have come to our branches. We understand that." Asked whether QIIK plans to raise any debts in 2021, Al-Shaibei said, "We have some maturity next year in terms of Sukuk – because according to our equity base, we reached the maximum in terms of Sukuk issuances. But now with some Sukuks maturing next year, we will have to decide whether to replace or close them. We are waiting for the market and liquidity conditions to emerge – no decision have been taken as yet." Referring to QIIK's joint venture bank in the Kingdom of Morocco- Umnia, Al-Shaibei said, "Definitely, Morocco has slowed down – like every other country, because of COVID-19. But in general, Umnia Bank is working according to the initial business module. It was a tough year for the JV bank - but we are expecting it to reach a breakeven point - a year from now." (Gulf-Times.com)
- **Qatar registers about 10% MoM expansions in trade surplus to QR7.05bn in October –** A robust growth in exports to Asian countries helped Qatar register about 10% MoM expansion in trade surplus to QR7.05bn in October this year, according to official statistics. The country's merchandise trade surplus, however, witnessed a 39.6% fall YoY this October, according to the figures released by the Planning and Statistics Authority (PSA). The Asian region accounted for about 66% of Qatar's exports with India, Japan and China occupying the first three slots; while the imports came from diversified geographies. In October 2020, total exports of goods (including exports of goods of domestic origin and re-exports) were QR15.3bn, showing more than 14% surge on a monthly basis but declined 23.5% on yearly basis. On a monthly basis, the exports of petroleum gases and other gaseous hydrocarbons rose 18.5% to QR9.73bn, crude by 11.5% to QR2.09bn and other non-specified commodities by 8.3% to QR2.18bn; while those of non-crude plummeted 39.1% QR0.5b2n in October 2020. The exports of petroleum gases and other gaseous hydrocarbons shrank 18.1% YoY, non-crude by 62.4%, crude by 39.6% and other commodities by 12.4%. Petroleum gases constituted 67% of the exports of domestic products compared to 62% a year ago period, crude 14% (18%), non-crude 4% (7%) and other commodities 15% (13%). The country's re-exports amounted to QR0.8bn in October 2020, which shot up 65.6% on a monthly basis; even as it declined 2.3% YoY. Qatar's total imports (valued at cost insurance and freight) amounted to QR8.27bn, which showed a 18.3% surge MoM; but fell 1% YoY in the review period. (Gulf-Times.com)
- **Ooredoo enhances productivity at QBC with smart fleet management –** Ooredoo announced that Qatar Building Company (QBC) had seen strong success on transforming its vehicle operations with the Ooredoo Fleet Management solution powered by the Internet of Things, with the rollout to 1,000 vehicles started last year. Founded in 1971, QBC is one of Qatar's longest-standing and most innovative construction companies. With QBC's work ramping up amid the wide range of mega-projects boosted by Qatar National Vision 2030, the company faced challenges in keeping track of its fleet of more than 1,000 vehicles – costing it time and money, Ooredoo said in a press statement. In response, over the past year, QBC has rolled out the Ooredoo Fleet Management solution across its different types of fleet vehicles. Qatar Building Company now automatically re-routes drivers when needed to avoid delays, has real-time visibility of vehicle resources at any time, and can even increase safety by avoiding situations such as sharp turns or speeding. (Gulf-Times.com)
- **Qatar Chamber panel reviews controls to limit cases of bounced cheques –** Qatar Chamber's Banking and Investment Committee recently held a meeting to discuss the newly-issued instructions and controls by the Qatar Central Bank (QCB) to limit the cases of bounced cheques, as well as the expected effects of these instructions on economic activity. During the meeting, which was presided over by Qatar Chamber's board member, Nasser Sulaiman Al-Haidar, the committee members welcomed the procedures that aim to address the issue of bounced cheques. The meeting also discussed preventing the issuance of new cheque books for individuals and companies that issued bounced cheques, as issuing new cheque books is related to the payment of bounced cheques in accordance with QCB's instructions. The discussion also touched on the effect of suspending the accounts of companies that issued bounced cheques, as well as the bank's refusal to issue cheque books until the concerned party has settled the cheques. The committee urged businessmen to be careful in signing cheques and not to issue any cheque until making sure that there is sufficient account balance. The committee stressed that the QCB's decision is sound and will serve the national economy, and that it prevents any problems between customers and businessmen in the future. (Gulf-Times.com)
- **Weekly property sales cap QR1bn, says Ezdan report –** A remarkable rise was monitored in the weekly property sale activity as reflected in the bulletin released by the Real Estate Registration Department, which recorded total gains of QR1.02bn from property sale activity, according to the Ezdan Real Estate (Ezdan) report. Building sale deals have controlled the sale activity, forming the chunk of total volume generating as much as QR580.2mn, or 56.8% of total property sale, while vacant lands of all kinds made a QR441mn net value, or 43.2%, said the report. The breakdown of the weekly property sale activity from November 15 to 19, 2020 showed that the deals made a total value of QR1.02bn divided into the municipalities of

Umm Salal, Al Khor, Al Thakhira, Al Doha, Al Rayyan, Al Shamal, Al Daayen, and Al Wakrah, which included vacant lands, residences, multi-use buildings, mixed-use space and residential buildings. Doha municipality has seen the highest deal in terms of value by selling a residential tower in The Pearl at a value of QR356mn. The tower spans over an area of 6,443 square meters and sold at QR55,254 per square foot. (Gulf-Times.com)

- **Automatic entry permits' for residents from today –** The Government Communications Office (GCO) has announced that residents who are currently in Qatar, and wish to travel and return to the country, will automatically receive an Exceptional Entry Permit upon departure with effect from Sunday, November 29. Also, the quarantine period will be one week only after arrival in the country, irrespective of where a person is coming from, according to a statement issued by the GCO. The statement noted that in continuation of the gradual lifting of restrictions imposed in Qatar as a result of the COVID-19 pandemic, and based on public health indicators in the country and around the world, as well as on Qatar's travel policy announced previously. (Gulf-Times.com)
- **Qatar, Turkey enhance cooperation with several pacts; Qatar inks deal for minority stake in Turkish stock exchange –** Sixth meeting of Qatar-Turkey Supreme Strategic Committee reviews the outcomes of previous meetings and ways to enhance the committee's work. Memorandum to purchase a stake in Istinye Park shopping centre signed. MoU between Qatar Investment Authority and Altin Halic of Turkey on potential joint investment in the Golden Horn project signed. Agreements to purchase a stake in Borsa Istanbul, selling and purchase of Ortadogu Antalya port between Global Liman and QTerminals concluded. Qatar Free Zones Authority and the Turkish Ministry of Trade sign MoU on cooperation in the free zones. Qatar Investment Authority signed a memorandum of understanding with its Turkish counterpart known as TWF to purchase a 10% stake in Borsa Istanbul AS. The agreement for a minority stake in the company that runs the main Turkish stock exchange, for an undisclosed amount, was unveiled at a ceremony at the presidential palace in Turkey's capital Ankara. The Gulf state also signed another preliminary deal to invest in a multibillion dollar port project in Istanbul and finalized an earlier agreement to buy a stake in Istinye Park, one of Istanbul's largest shopping mall that's popular among tourists from the Middle East. The deals and the fanfare surrounding their signing highlight the growing alliance between the two countries since a coup attempt against Erdogan in 2016. The agreement on Borsa Istanbul, if finalized, would reduce the Turkish sovereign wealth fund's stake in the company to 80.6%. The stake sale comes around a year after TWF purchased EBRD's 10% stake in the bourse. (Peninsula Qatar, Bloomberg)
- **Al-Jaida: New investment avenues opening up in Qatar on COVID-19 handling success –** Doha's excellent handling of the COVID-19 pandemic has made the business ecosystem further lucrative with new avenues of investments opening up for investors, according to the top official of the Qatar Financial Centre (QFC). "We have seen increasing level of interests from foreign investors looking to enter market that offer diverse opportunities with low levels of unforeseen risks," QFC Authority's Chief Executive, Yousuf Mohamed Al-Jaida told a webinar on 'Strategic Risk Management – Factors to Consider When Investing in and out of Qatar'. Having absorbed several shocks, including a series of fluctuations in global oil prices over the past decade and the ongoing pandemic; he said the country's institutions have become resilient to guarantee conducive environment for the business growth. In this regard, he cited that several global institutions such as the International Monetary Fund (IMF) and the World Bank have projected Qatar's real gross domestic product (GDP) to bounce back. In its latest World Economic Outlook, the IMF said Qatar's real GDP has been projected to rebound and grow at 2.5% in both 2021 and 2022 compared to a -4.5% change this year. (Gulf-Times.com)
- **Official: Qatar is making proactive efforts to deal with repercussions of pandemic –** Qatar is making proactive efforts to deal with the repercussions of the pandemic by investing in innovation, technology and science to enable urgent and effective measures to contain the virus and mitigate its impact, according to a top government official. The local private sector has a key role in overcoming the repercussions of the pandemic and seized the opportunity that the crisis offered, especially in the trade and industry sectors, to develop its storage, import and production capacity and to improve the quality of imported and locally manufactured goods, Sultan bin Rashid Al-Khater, Undersecretary of the Ministry of Commerce and Industry (MoCI), told a virtual session organized by Italy's Ministry of Foreign Affairs and International Co-operation and the Italian Institute for International Political Studies (ISPI). The MoCI, in turn, supported the State's efforts to weather the coronavirus crisis and adopted a flexible and integrated strategy aimed at protecting the private sector and providing companies with the necessary support to adapt to the current circumstances after the gradual lifting of restrictions, he said at a session themed 'Restructuring Middle East and North African Economies After COVID-19'. (Gulf-Times.com)

International

- **ECB's Lane warns against tolerating low inflation as more stimulus looms –** The European Central Bank's (ECB) Chief Economist warned on Thursday that accepting "a longer phase of even lower inflation" would hurt consumption and investment as well as cementing expectations for low price growth in the future. The ECB is preparing a new stimulus package to help cushion the impact of the coronavirus pandemic. It is also reviewing the way it goes about its business, after failing to raise inflation to its target for almost a decade. Lane said that simply letting price growth undershoot the ECB's target of just under 2% was not an option. "Tolerating a longer phase of even lower inflation ... than originally envisaged would be costly and risky," Philip Lane told an academic audience via weblink. "First, it would imply a weaker recovery of consumption and investment, as a result of higher expected real interest rates. Second, it would contribute to a downward drift in inflation expectations that might become entrenched." Fellow ECB board member, Isabel Schnabel said this week the central bank should consider taking longer to raise inflation to its 2% target as its ultra-easy policy is constrained, has side effects and risks alienating the public. Under its strategic review, the ECB is expected to change its goal to 2% over an unspecified "medium term" and reaffirm its commitment to symmetry, meaning that any undershooting of the target should be taken as seriously as an overshooting. The euro zone's central bank has kept the money taps wide open for years and promised further stimulus, likely in the form of even more bond purchases and subsidized loans to banks, at its December 10 meeting. (Reuters)

- **BoE's Haldane sees inflation risks as economies bounce back –** Bank of England (BoE) Chief Economist, Andy Haldane said inflation could rise by more than expected as progress on COVID-19 vaccines and huge amounts of stimulus raised the chances of a swift economic bounce-back. "As the economic recovery gathers pace next year, it will be important central banks remain squarely focused on their core medium-term price stability mandates," Haldane said in a speech to a University College London webinar on Saturday. Haldane has consistently sounded more upbeat than his fellow interest-rate setters about the prospects for an economic recovery in Britain after the record 25% slump triggered by the first coronavirus lockdown in the spring. The BoE's nine-member Monetary Policy Committee has stressed that it will not be in a hurry to tighten monetary policy by saying it first wanted to see clear evidence of "significant progress" to hitting its 2% inflation target sustainably. Haldane said recent news of progress with the development of COVID-19 vaccines "offers some economic light at the end of the long, dark tunnel of this year" and there could be a rapid economic recovery in Britain and globally. "Taken together with the huge amounts of policy stimulus provided this year, this will in my view leave risks to the economic outlook more evenly balanced than for some time, including risks to inflation over the medium term," he said. Britain's most recent consumer price index showed inflation at 0.7%. (Reuters)
- **UK's Sunak says public finances are on "unsustainable" path –** British Finance Minister, Rishi Sunak said on Thursday that record public borrowing is not forecast to fall fast enough to be sustainable, the closest he has come to acknowledging that taxes will need to rise once the coronavirus pandemic is over. "(There are) record peacetime highs in borrowing and debt, and the forecasts that were set out yesterday show us on a path where that continues to be at a very elevated level, so that's not a sustainable position," Sunak told the BBC. Sunak declined to commit specifically to tax rises, saying any decision would need to wait for his annual budget statement due early next year. Previously he has said that hard choices would need to be made on the public finances after the pandemic, which has killed more than 55,000 people in Britain and led to the biggest collapse in economic activity in more than 300 years. "Once we get through this and we have more certainty about the economic outlook, we'll need to look at how we can make sure we have a strong set of public finances," he added on Thursday. Bank of England Governor, Andrew Bailey, speaking to a BBC local radio station, said Sunak was taking the right approach by spreading the financial cost of the pandemic over many years. (Reuters)
- **Brexit negotiations restart in person as clock ticks down –** Face-to-face negotiations between Britain and the European Union (EU) over a trade deal restarted earlier on Saturday as the two sides make a last ditch attempt to reach an agreement with just five weeks to go before their current relationship ends. There is currently no call scheduled between UK Prime Minister, Boris Johnson and EU Commission president Ursula von der Leyen, a UK source told Reuters, after the Times newspaper reported the pair would speak in the next 48 hours. The first sign of movement -- either towards a deal or that talks are crumbling -- is likely to be a call between Johnson and von der Leyen. The Times also reported that the European Commission has started to "lean on" EU negotiator, Michel Barnier to reach a deal with Britain, raising hopes that an agreement could come. Barnier and Britain's negotiator David Frost are working to secure a deal before the UK's transition period with the EU ends on December 31. Both sides said on Friday that there were still big differences to overcome, as they both called for the other to compromise on the three main issues of contention - fishing, state aid and how to resolve any future disputes. (Reuters)
- **Analysis: German stimulus fails to turn anxious savers into big spenders –** German consumers remain gloomy ahead of the traditionally big-spending Christmas season and a temporary reduction in sales tax worth up to EUR20bn has failed to get them into shops or online -- even when companies have passed it on. The six-month cut in value-added tax from 19% to 16% was the center piece of a $155bn stimulus package launched by Finance Minister, Olaf Scholz in June to drag Europe's biggest economy out of a pandemic-induced slump. Those measures, including cash handouts for parents and incentives to buy "green" cars, helped fuel growth of 8.5% in July-September, a big rebound from the previous quarter's unprecedented 9.8% plunge. But households remain focused on savings while many firms have used the VAT relief to shore up their battered margins rather than lowering retail prices, data and interviews show. "Even if I wanted to spend more on the things that I like such as travelling and going out, I simply can't right now due to the lockdown," Berliner Philipp von Bremen said, 42, who worked reduced hours in the film industry during the pandemic. "So I'm definitely spending less than normally." (Reuters)
- **Japan's capital sees prices fall most in over eight years as COVID-19 pain persists –** Core consumer prices in Tokyo suffered their biggest annual drop in more than eight years, data showed on Friday, an indication the hit to consumption from the coronavirus crisis continued to heap deflationary pressure on the economy. The data, which is considered a leading indicator of nationwide price trends, reinforces market expectations that inflation will remain distant from the Bank of Japan's 2% target for the foreseeable future. "Consumer prices will continue to hover on a weak note as any economic recovery will be moderate," Dai-ichi Life Research Institute said, which expects nationwide core consumer prices to fall 0.5% in the fiscal year ending March 2021. The core consumer price index (CPI) for Japan's capital, which includes oil products but excludes fresh food prices, fell 0.7% in November from a year earlier, government data showed, matching a median market forecast. It followed a 0.5% drop in October and marked the biggest annual drop since May 2012, underscoring the challenge policymakers face in battling headwinds to growth from COVID-19. The slump in fuel costs and the impact of a government campaign offering discounts to domestic travel weighed on Tokyo consumer prices, the data showed. (Reuters)
- **Reuters poll: China's factory growth likely edged up in November –** China's factory activity likely expanded at a slightly faster

pace in November, a Reuters poll showed on Friday, as the world's second-largest economy steadily recovers from the coronavirus crisis. The official manufacturing Purchasing Manager's Index (PMI) is expected to rise slightly to 51.5 in November from October's 51.4, according to the median forecast of 22 economists polled by Reuters. A reading above 50 indicates an expansion in activity on a monthly basis. China's vast industrial sector is steadily returning to the levels seen before the pandemic paralyzed huge swathes of the economy early this year. Premier Li Keqiang said on Tuesday he expects economic activity to return to a reasonable range next year. Profits at industrial firms grew in October for a sixth consecutive month and at their quickest pace since early 2017, data showed on Friday. "Overall, we believe China's economic recovery remains largely on track and maintain our real GDP growth forecast of 5.7% YoY for Q4, up from 4.9% in Q3. We firmly believe Beijing will maintain its policy stance," analysts at Nomura said in a note on Friday. The Chinese economy is expected to expand around 2% for the full year - the weakest in over three decades but still much stronger than other major economies which are still battling to contain virus infections. (Reuters)

- **India's economy shrinks 7.5% YoY in July-September quarter –** Indian economy contracted 7.5% in the quarter to September, government data showed on Friday, showing some signs of a pick-up after the easing of pandemic restrictions that triggered a record contraction of 23.9% YoY in the previous quarter. The read-out for the September quarter was better than the 8.8% contraction forecast of analysts in a Reuters poll. (Reuters)
- **India's April-October fiscal deficit tops 126.7% of full year target –** India's federal fiscal deficit in the seven months to end-October stood at $128.9bn, or 126.7% of the budgeted target for the whole fiscal year, government data showed on Friday. Net tax receipts were INR5.76tn, down 15.7% from a year ago, while total expenditure was INR16.6tn, the data showed. The deficit is predicted to exceed 8% of GDP in the 2020/21 fiscal year that ends in March 2021, economists said, from initial government estimates of 3.5%, mainly due to a sharp economic contraction triggered by the coronavirus pandemic. (Reuters)
- **India's economic contraction slows as vaccines boost recovery hopes –** The contraction of the Indian economy eased off in the three months to September amid signs of a pick-up in manufacturing, and economists expect a steady recovery next year if progress on coronavirus vaccines feeds consumer demand. Prime Minister, Narendra Modi expects the recent easing of farm and labor laws, along with tax incentives, to bolster manufacturing and lure more foreign investment. India's GDP in July-September quarter contracted 7.5% on year, data released by the National Statistical Office on Friday showed, compared to a decline of 23.9% in the previous three months. Analysts in a Reuters poll had forecast an 8.8% contraction in the latest period. Annual growth of 3.4% in farm sector and 0.6% in manufacturing during September quarter raised hopes of an early recovery as the government gears up to distribute coronavirus vaccines to a country with about 1.4bn people. "The Q2 GDP numbers are encouraging," Chief Economic Advisor at the ministry of finance, Krishnamurthy Subramanian said after the release of the data. (Reuters)

Regional

- **OPEC+ panel's informal online talks postponed to Sunday –** A panel of OPEC+, a group of leading oil producing countries, will hold informal online talks on Sunday - a day later than scheduled - prior to meetings planned for next week, a source with the knowledge of the matter told Reuters. The talks had initially been scheduled for Saturday, according to a letter seen by Reuters and the source. The source said they will be now held on Sunday. No reason for the postponement has been given. OPEC+ is debating whether to ease oil output cuts from January 1, as it previously agreed, or to continue producing at the same rate amid sluggish oil demand and the fallout from the coronavirus pandemic. The letter from the Organization of the Petroleum Exporting Countries, seen by Reuters, had initially said Russian Deputy Prime Minister Alexander Novak will attend Saturday's informal consultations of the Joint Ministerial Monitoring Committee's heads. Novak was Energy Minister until earlier this month, leading Moscow's efforts to forge close ties with OPEC and clinch the deal on output cuts. Saudi Arabia will be represented by its Energy Minister, Prince Abdulaziz bin Salman. OPEC+ will meet on November 30 and December 1 to decide output policy for next year. (Reuters)
- **OPEC+ watchers expect group to delay supply boost by three months –** OPEC and its allies will likely delay a supply increase planned for January by three months, according to a survey of oil analysts, traders and refiners. The 23-nation coalition that includes Russia will probably defer the 1.9mn-barrel hike when they meet next week, according to all but two of 36 respondents to the poll. Twenty-seven predicted a delay until the start of the second quarter. While crude prices have rebounded to an eight-month high, demand in early 2021 still looks too fragile to absorb the extra barrels. At the same time, some key OPEC+ members like Iraq have signaled they're eager to ramp up sales as soon as possible. "OPEC+ will make good on its commitment to be proactive and adjust to evolving market circumstances, notably short-term economic and oil demand weakness," Head of commodity markets strategy at BNP Paribas, Harry Tchilinguirian said. "A three-month delay will allow for a consensus to be reached quickly, without too much push back from members eager to start increasing their output again." (Gulf-Times.com)
- **Gulf bonds likely to set new record in 2021 amid budget squeeze –** International debt sales from the six-member GCC are likely to notch another record year in 2021 as governments need to fill wider deficits and corporates look to grab money on the cheap amid low rates. The oil-rich region saw a second consecutive year of record international bonds, topping $100bn, as issuers' finances were battered by the COVID-19 pandemic along with low oil prices, with a few issues still possible before year-end. "I think overall, the market will grow. We can easily add $7bn-10bn more to 2020 total issuance," Head of debt capital markets for the Middle East and North Africa at Deutsche Bank, Khalid Rashid said. S&P said in July GCC government balance sheets are expected to continue to deteriorate up until 2023. Kuwait, which has not issued dollar bonds since 2017, could return to the market next year, depending on a new debt law which would allow it to raise more funds overseas and help it overcome a liquidity crunch. Chief Economist at Samba Financial Group, James Reeve estimated Saudi Arabia's financing requirements at around $60bn next year, of which around $18bn would be

covered via Eurobonds. More issuance is expected from Dubai, which in September returned to the public debt markets for the first time in six years. Bankers expect it to issue another $2bn next year as key sectors of its economy continue to be squeezed. For sub-investment grade Bahrain and Oman, issuing debt is vital to replenish dwindling foreign reserves, though Oman may need explicit support from Gulf neighbors as investors are increasingly concerned about its worsening credit trajectory. Head of equity strategy at Tellimer, Hasnain Malik said he expects more consolidation among government-related enterprises, removing duplicated cost, and "raising of debt for the stronger business models that result from this consolidation is likely." Among corporates, a new entry could be Abu Dhabi National Oil Company (ADNOC), which received a credit rating last year, a banker said. (Reuters)

- **BP to invest more in Middle East's 'world-leading' oil fields –** BP said it will invest more money in Middle Eastern oil and natural-gas fields even as it transitions to renewable energy and tries to lower emissions. The company is a major producer in countries such as Iraq, where it operates the world's third-largest oil field of Rumaila, the UAE and Oman. It is focusing on their low-cost oil, while also boosting output of gas, according to BP's Senior Vice President for the Middle East, Stephen Willis. "We will continue to invest in these," Willis said, without specifying how much BP planned to spend. Deposits in Iraq, the UAE Emirate of Abu Dhabi and Oman have "world-leading operating cost, capital cost and production efficiency performance." (Bloomberg)
- **Saudi Arabia raises SR795mn from Sukuk offering –** Saudi Arabia raised SR795mn from its local Sukuk offering in November, State-run SPA said. The first tranche was for SR200mn, second tranche of SR595mn. (Bloomberg)
- **Saudi Arabia broadens Central Bank's mandate to promote growth –** The Saudi Central Bank updated its mandate to include supporting economic growth as one of its prime objectives, formally changing its fundamental operating principles for the first time in more than 60 years, Vice-Governor, Ayman Alsayari said. "Including support of economic growth as an explicit element in the central bank's mandate is meant to cover evolving variables such as financial innovation, which has the potential to foster economic growth if steered in the appropriate direction," Alsayari said in a written response to questions from Bloomberg on Thursday. The central bank's new charter also reflects "changes in the financial sector and new types of risk," he said. The bank now reports directly to the king under the new charter, a move intended to "make its independent status clearer and more explicit," he said. (Bloomberg)
- **Saudi, Abu Dhabi wealth funds team up on Egyptian drug maker deal –** Two of the biggest sovereign wealth funds in the Middle East are exploring a joint bid for an Egyptian pharmaceutical company, a deal that could mark the beginning of wider co-investment plans between the two state-controlled firms, people familiar with the matter said. Saudi Arabia's Public Investment Fund and ADQ, formerly known as Abu Dhabi Development Holding Co., are weighing the purchase of Bausch Health Cos.'s Cairo-based drug unit, sources said. In addition, the two funds have held talks to work closely on other transactions in areas such as food security, health care and industrials, sources said. (Bloomberg)
- **Russia, Saudis convene informal OPEC+ talks on November 28 –** Russia's Deputy PM, Alexander Novak and Saudi Energy Minister, Abdulaziz bin Salman will host informal talks on November 28 between OPEC+ ministers who oversee the group's production cuts deal, according to a letter seen by Bloomberg, in last-minute preparations for a full meeting of the cartel on November 30-December 1. Ministers from the Joint Ministerial Monitoring Committee, which includes Algeria, Kazakhstan, Iraq, Nigeria and the UAE, were all invited, according to the letter dated November 25. (Bloomberg)
- **S&P affirms Saudi Electric 'A-' ratings; outlook Stable –** Saudi Arabia's Electricity & Cogeneration Regulatory Authority (ECRA) announced significant reforms in the power sector such that Saudi Electric Co. (SEC) will now operate with a regulated asset base (RAB) model and an effective 100% cost pass-through model. In addition, the Ministry of Finance (MOF) restructured SEC's government payables (including interest free loans, fuel liabilities, and dividend liabilities) into a shareholder instrument of SR167.9bn held by the MOF, which S&P treats as equity. Based on the improved business and financial risk profile, S&P has revised upward our stand-alone credit profile assessment for SEC to 'bbb-' from 'bb-'. S&P views the implementation of an unrestricted and uncapped balancing account, which covers shortfalls in annual revenue, as more comprehensive than RAB models in other jurisdictions. In S&P's view, extraordinary government support could be provided to SEC either within or outside of the new regulatory framework. S&P therefore continues to consider government support as almost certain to be provided to SEC if needed. S&P is affirming 'A-' rating on SEC and its rated instruments, which mirrors that on Saudi Arabia. The outlook is stable. S&P continues to equalize our rating on SEC with that on Saudi Arabia as we expect continued extraordinary support and involvement an addition to regulatory reforms. This is based on our opinion that the Saudi Arabian government would almost certainly provide timely and sufficient extraordinary support to SEC in the event of financial distress. The introduction of the regulatory reforms does not change our view of support, because, while earlier ongoing and extraordinary state support was provided as needed using various means (including interest-free loans, dividend waivers, assumption of liabilities by the government), now the parameters of financial support are more clearly defined via the framework. The unrestricted and uncapped balancing account provides a clear mechanism for ongoing and, if needed, extraordinary government support. Furthermore, S&P believes that the government can still provide extraordinary support over and above the framework if required. Our assessment of the government's likelihood of support is based on SEC's: Critical role in providing essential power generation, transmission, and distribution services in Saudi Arabia and its central role in meeting the government's key economic and social objectives. Integral link with the government, which maintains very tight control over SEC's strategy. Furthermore, under the new regulatory framework, SEC will be compensated for shortfalls in annual revenue by the unrestricted and uncapped balancing fund. Any financial distress caused to the company by events not met under the RAB model, would, S&P believes, also be met

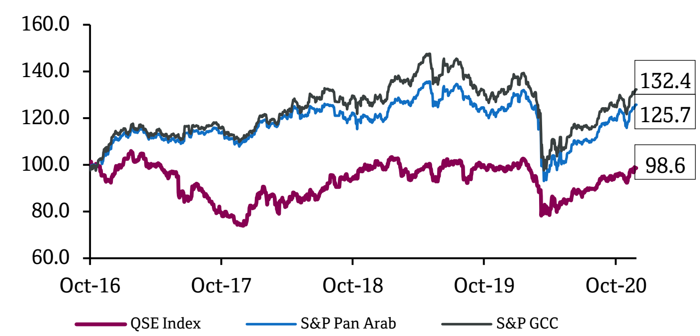
by the government. S&P views are supported by a track record of SEC receiving significant financial support in the past. The new regulatory environment in Saudi Arabia is more predictable and transparent, leading S&P to revise upward the business risk profile to satisfactory from fair. (Bloomberg)

- **UAE to grant citizens $2bn in homes, land, mortgages –** Abu Dhabi's government is granting $2bn in homes, land parcels and mortgage loans to more than 6,100 citizens in the United Arab Emirates ahead of the country's National Day on December 2, the Abu Dhabi Media Office reported on Saturday. The government will also exempt some retirees and families of deceased citizens from mortgage repayments, the media office said. Citizens make up a small minority of the UAE's predominately expatriate population. Many have suffered from the impact of the coronavirus pandemic and oil price collapse has wreaked havoc on the country's economy. (Bloomberg)
- **UAE banks' assets up 7.6% at $885bln –** Total assets of banks operating in the UAE increased by 7.6% YoY at the end of September and 2% QoQ to AED3.253tn, the Central Bank of the UAE (CBUAE) said. The apex bank's report said combined gross credit of the banks rose by 4.9% YoY and 0.8% QoQ, reaching AED1.805tn at the end of September. The report, which has examined the monetary and banking activities as well as developments in the UAE financial markets during the third quarter of 2020, also reviewed ratios of annual change over the period from September 2019 to September 2020. Total deposits of resident and non-resident customers with banks operating in the UAE rose by 2.2% QoQ, reaching AED1.907tn at the end of the third quarter. (Zawya)
- **Dubai gets Arab Gulf's first, and perhaps last, coal power plant –** The UAE is set to become the first Arab Gulf country to generate electricity from coal. As governments increasingly turn to cleaner fuels and the price of renewable energy falls, it may also be the last. Dubai is starting up the $3.4bn Hassyan coal plant, with capacity being increased from an initial 600 mega-watts to 2,400 by 2023. Japan's Jera Co. will supply coal under a long-term agreement with Acwa Power of Saudi Arabia, which is developing the plant. (Bloomberg)
- **ADNOC awards $519mn contract to CNPC unit for 3D Seismic survey –** ADNOC awards the contract to BGP Inc., a unit of China National Petroleum Co. worth $519mn, to expand the 3D onshore and offshore seismic survey currently taking place in the oil-rich emirate. Contract brings the total area to be covered by the survey up to 85,000 square kilometers and increases scope to capture coastal areas, islands and shallow water. Seismic survey supported discovery of conventional oil and gas reserves and the unconventional gas resources. (Bloomberg)
- **UAE's Al Dahra, Israel's Watergen sign strategic partnership on water security –** Abu Dhabi-headquartered Al Dahra Agricultural Company and Israel's Watergen have signed a strategic partnership in the field of water security, UAE news agency WAM said. Since the UAE and Israel agreed to establish formal ties in August, several agreements have been signed between companies in the two countries, particularly in the fields of technology and agriculture. Al Dahra and Watergen agreed to establish a permanent center in Abu Dhabi to produce and distribute machinery for producing water for drinking and irrigation in the region. "The agreement aims to build a strategic partnership between the two sides to provide water from the air and add a renewable source of clean water suitable for human and agricultural consumption," WAM said. (Reuters)
- **JinkoSolar sells stake in Abu Dhabi Sweihan Power Station –** JinkoSolar Holding Co. Ltd. said its wholly-owned subsidiary JinkoSolar Sweihan (HK) Ltd. has signed a share and debt purchase agreement with Jinko Power (HK) Co. Ltd., an indirectly wholly-owned subsidiary of Jinko Power Technology Co. Ltd. Pursuant to the agreement, Sweihan HK will sell its 50% equity interest in Sweihan Solar Holding Co. Ltd. to Jinko HK. Sweihan Holding holds a 40% equity interest in Sweihan PV Power Company, the operating entity of a 1,200 MW photovoltaic power plant in Abu Dhabi. Upon completion of the deal, Jinko HK will indirectly hold a 20% equity interest in the project company. Closing of deal is subject to approvals by Emirates Water and Electricity Company, other shareholders of Sweihan Holding and the project company, and the project finance lenders. (Bloomberg)
- **Moody's assigns Ba2 corporate family rating to Kuwait Investment Company; outlook changed to negative –** Moody's Investors Service has assigned a Ba2 corporate family rating (CFR) and Ba2-PD probability of default rating to Kuwait Investment Company (KIC) and concurrently withdrew KIC's Ba2 long-term issuer ratings. The outlook was changed to negative from stable. The assignment of a Ba2 corporate family rating to KIC is in line with Moody's practices for speculative grade issuers. The corporate family rating replaces the issuer rating that is typically reserved to investment grade issuers. The change does not involve a change of methodology or rating rationale. The change in the company's outlook to negative reflects Moody's view that subdued economic growth associated with the coronavirus pandemic and lower oil prices will continue to depress KIC's financial performance over the next 12 to 18 months. While KIC's financial performance has substantially improved since the peak of the crisis in March 2020 thanks to market recovery, Moody's believes the firm's future revenue and profitability will remain volatile and highly sensitive to market shocks. Declines in the fair value of the company's significant investment portfolio have negatively impacted earnings, leverage metrics and capital buffers. Going forward, reduced levels of investment and fee income will likely translate in a very weak leverage ratio. As of September 2020, leverage ratio as measured by gross debt-to-EBITDA was 17x. The assignment of a Ba2 CFR primarily reflects the high probability of the Kuwaiti government's (A1, stable) support in case of need. KIC is considered a government-related issuer (GRI), recognizing (1) KIC's 76% ownership by the Kuwaiti government's sovereign wealth fund (Kuwait Investment Authority or KIA), and (2) KIA's continuous contribution to KIC through funding support and business generation. KIC's standalone credit profile reflects KIC's (1) modest asset management franchise, which lacks critical size, displays limited distribution networks and a narrow product range, resulting in low levels of recurring fee income; (2) high level of total debt/EBITDA; (3) elevated balance sheet risk associated with proprietary investments in equities, real estate and mutual funds, which are subject to market risk and price volatility. The credit profile also reflects the company's relatively profitable business model and access to low-cost deposits from government-related entities, including KIA.

However, the reliance on short term funding leads to significant contractual asset and liability maturity mismatches. The quality of KIC's revenue structure has improved in recent years but remains weak reflecting the firm's high balance-sheet exposure to market risks. This derives mainly from its KD163mn direct investment portfolio, equivalent to around 158% of the company's tangible equity as at end-September 2020. While current capital buffers remain solid at KD103mn, deterioration in market conditions prompted by the pandemic have led to significant downward adjustments to fair values and reduced these buffers from KD126mn in December 2019. The firm's net loss on financial assets and reduced fees, commission and rental income have translated into a loss before tax of KD11.8mn for the nine months that ended in September 2020. More positively, KIC's funding structure remained resilient despite its short term and concentrated nature. As of September 2020, KIC had drawn $298mn in bank facilities and depositor lines while USD399 million remained available. In line with KIA's support, we do not expect funding lines to dry. KIC is unlikely to be upgraded while the outlook is negative. Factors that could lead to an affirmation of the rating with a stable outlook include the following: 1) a sustained reduction in debt-to-EBITDA to below 5x, 2) a further reduction in KIC's investment book, 3) a significant development of KIC's asset management franchise. Factors that could lead to a downgrade include the following: 1) a reduction in KIA's willingness to provide capital and liquidity support to KIC; 2) significant investment losses, leading to capital erosion, 3) a deposit/borrowings flight that exerts pressure on KIC's funding and liquidity profiles, 4) a decline in assets under management (AUM), which would strain the company's recurring management fee income. (Bloomberg)

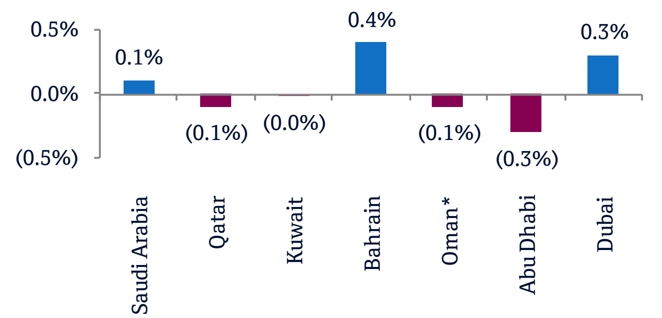
- **KPC offers Kuwait South Ratqa for end-December loading –** KPC offered 600k bbl of Kuwait South Ratqa crude for December 28-29 loading from Mina Al-Ahmadi, according to a tender document. Cargo will be sold at a spot differential to avg DME Oman and Platts Dubai quotations. Bids are due on December 2, is valid until December 3. (Bloomberg)
- **Oman sells cargo on FOB basis for December loading –** Oman LNG sold a cargo on an FOB basis for December 21 loading, according to traders with knowledge of the matter. Cargo sold via tender that closed on November 24. (Bloomberg)
- **S&P affirms Bahrain 'B+/B' ratings; outlook Stable –** S&P affirmed its 'B+/B' long- and short-term foreign and local currency sovereign credit ratings on Bahrain. The outlook is stable. The transfer and convertibility assessment on Bahrain is still 'BB-'. The stable outlook indicates that S&P expects Bahrain to benefit from further disbursements under the $10bn GCC support package, and that its neighbors would likely provide additional further extraordinary support, if required. S&P expects the government to continue implementing measures to reduce the budget deficit. In case of a downside scenario, S&P could lower the ratings over the next year if foreign currency reserves decline, reducing the government's ability to service external debt in a timely manner. S&P could also lower the ratings if the government's budgetary consolidation measures slow, increasing the debt and debt-servicing burden beyond our current expectations. The rating could also come under pressure if, contrary to our expectations, Bahrain's large banking system suffered a loss of short-term external financing, including from nonresident deposits. In case of a upside scenario, although not likely over the next year, S&P could raise the ratings by 2023 if Bahrain's budgetary position improved significantly beyond S&P's current expectations. S&P would also consider raising the ratings if GDP per capita trend growth strengthens. Low oil prices in 2020 triggered a sharp widening in the government's fiscal deficit and a substantial increase in government debt. Bahrain's external resilience has also weakened, as the central bank's official foreign currency reserves are now significantly smaller than they were at year-end 2019. Nevertheless, S&P anticipates that the government's ongoing reforms, which are intended to reduce the deficit, should help improve fiscal flexibility over the forecast period to 2023. S&P also predicts that oil prices will be higher in 2021 and the ongoing support from other GCC sovereigns should support Bahrain's reserve position over the next year. Although S&P expects further financial support will be provided, if needed, Bahrain received no additional or accelerated support this year, even though oil prices are now well below the price that prevailed when the GCC support package was determined. S&P believes disbursements from the GCC were initially intended to cover 50% of the government's financing needs, but may not align with Bahrain's debt repayments, leaving concerns over timeliness. Bahrain's economy is relatively diversified for the region--less than 20% of the economy is dependent on oil. That said, its government revenue is dependent on hydrocarbons, with over 70% of its revenue from oil. Similar to other GCC sovereigns, Bahrain's corporate and household sectors are taxed only lightly. As a result, its budget revenue is volatile. When oil prices are low, unless the government demonstrates a willingness to sharply cut expenditure, it has relatively limited tools available to increase revenue. That said, this has been gradually changing since the introduction of value-added tax (VAT) in 2019. The government's debt burden is high and increasing. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



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

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,787.79	(1.5)	(4.4)	17.8
Silver/Ounce	22.57	(3.6)	(6.6)	26.4
Crude Oil (Brent)/Barrel (FM Future)	48.18	0.8	7.2	(41.4)
Crude Oil (WTI)/Barrel (FM Future)	45.53	(0.4)	8.0	(35.1)
Natural Gas (Henry Hub)/MMBtu#	2.23	0.0	1.8	6.7
LPG Propane (Arab Gulf)/Ton#	55.00	0.0	7.0	33.3
LPG Butane (Arab Gulf)/Ton#	64.00	0.0	15.8	(3.6)
Euro	1.20	0.4	0.9	6.7
Yen	104.09	(0.2)	0.2	(4.2)
GBP	1.33	(0.3)	0.3	0.4
CHF	1.10	0.0	0.5	6.8
AUD	0.74	0.3	1.2	5.2
USD Index	91.79	(0.2)	(0.7)	(4.8)
RUB	75.86	0.2	(0.4)	22.4
BRL	0.19	(0.1)	0.7	(24.8)

Source: Bloomberg (#Market was closed on November 27, 2020)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,601.45	0.4	2.4	10.3
DJ Industrial	29,910.37	0.1	2.2	4.8
S&P 500	3,638.35	0.2	2.3	12.6
NASDAQ 100	12,205.85	0.9	3.0	36.0
STOXX 600	393.23	0.4	0.9	(5.4)
DAX	13,335.68	0.4	1.5	0.7
FTSE 100	6,367.58	0.1	0.3	(15.6)
CAC 40	5,598.18	0.6	1.9	(6.4)
Nikkei	26,644.71	0.4	4.4	12.6
MSCI EM	1,230.72	0.1	1.8	10.4
SHANGHAI SE Composite	3,408.31	1.1	0.9	11.7
HANG SENG	26,894.68	0.3	1.7	(4.6)
BSE SENSEX	44,149.72	(0.2)	0.6	7.0
Bovespa	110,575.50	0.3	4.3	(4.4)
RTS	1,302.43	(0.4)	3.1	(15.9)

Source: Bloomberg (*$ adjusted returns)

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