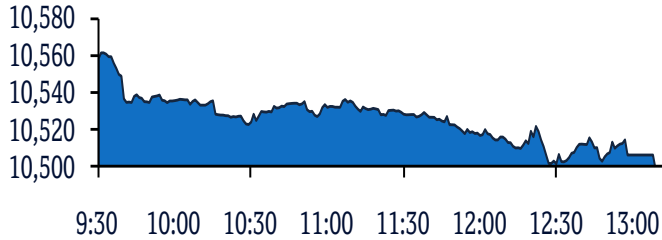


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.6% to close at 10,500.1. Losses were led by the Telecoms and Industrials indices, falling 1.0% and 0.9%, respectively. Top losers were Qatari Investors Group and Qatar Oman Investment Company, falling 2.0% and 1.6%, respectively. Among the top gainers, Ahli Bank gained 10.0%, while Qatar Islamic Insurance Company was up 2.8%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.4% to close at 8,746.8. Gains were led by the Utilities and Capital Goods indices, rising 2.3% and 1.8%, respectively. Saudi Co. for Hardware rose 9.9%, while National Co. for Learning & Education was up 6.7%.

Dubai: The DFM Index gained 0.4% to close at 2,525.0. The Investment & Financial Services index rose 0.7%, while the Banks index gained 0.6%. Al Salam Group Holding rose 3.4%, while Dar Al Takaful was up 3.3%.

Abu Dhabi: The ADX General Index fell 0.1% to close at 5,099.0. The Consumer Staples index declined 1.0%, while the Industrial index fell 0.8%. National Corp. Tourism & Hotel declined 4.7%, while Ras Al Khaima Poultry was down 4.6%.

Kuwait: The Kuwait All Share Index gained 0.4% to close at 5,578.5. The Insurance index rose 3.1%, while the Consumer Services index gained 1.5%. Gulf Insurance Group rose 9.9%, while Metal & Recycling Company was up 7.1%.

Oman: The MSM 30 Index gained 0.5% to close at 3,642.1. Gains were led by the Industrial and Services indices, rising 0.7% each. Gulf Investments Services rose 6.6%, while Galfar Engineering & Contracting was up 5.0%.

Bahrain: The BHB Index gained 0.5% to close at 1,497.4. The Commercial Banks index rose 0.9%, while the Services index gained 0.2%. BBK rose 1.8%, while Ahli United Bank was up 1.2%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Ahli Bank	3.56	10.0	1,233.8	6.9
Qatar Islamic Insurance Company	6.89	2.8	29.5	3.1
Widam Food Company	6.32	1.1	508.6	(6.6)
Baladna	1.80	0.4	4,330.1	79.9
Al Meera Consumer Goods Co.	20.52	0.3	22.5	34.1

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.60	(1.0)	14,644.1	6.6
Aljjarah Holding	1.25	(0.1)	10,485.9	76.9
Salam International Inv. Ltd.	0.65	(1.1)	8,022.8	26.5
Al Khalij Commercial Bank	1.84	0.0	7,569.7	40.5
Ezdan Holding Group	1.79	(0.6)	6,137.2	191.7

Market Indicators	29 Dec 20	28 Dec 20	%Chg.
Value Traded (QR mn)	258.8	308.3	(16.1)
Exch. Market Cap. (QR mn)	606,545.5	609,167.6	(0.4)
Volume (mn)	101.7	179.6	(43.4)
Number of Transactions	5,753	5,319	8.2
Companies Traded	45	44	2.3
Market Breadth	8:33	23:20	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,186.07	(0.6)	(0.4)	5.2	17.9
All Share Index	3,217.79	(0.5)	(0.3)	3.8	18.6
Banks	4,274.27	(0.4)	(0.4)	1.3	15.1
Industrials	3,113.13	(0.9)	(0.7)	6.2	27.8
Transportation	3,296.19	(0.3)	0.2	29.0	15.1
Real Estate	1,938.75	(0.2)	(1.0)	23.9	17.1
Insurance	2,415.36	(0.8)	1.1	(11.7)	N.A.
Telecoms	1,035.62	(1.0)	0.8	15.7	15.4
Consumer	8,147.47	(0.3)	(0.2)	(5.8)	28.9
Al Rayan Islamic Index	4,287.64	(0.4)	(0.4)	8.5	19.6

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Cement Co.	Saudi Arabia	61.00	2.5	1,397.9	(13.0)
Saudi Electricity Co.	Saudi Arabia	21.56	2.5	4,440.4	6.6
Emirates NBD	Dubai	10.75	1.9	2,442.5	(17.3)
BBK	Bahrain	0.50	1.8	178.0	(7.6)
Bank Al Bilad	Saudi Arabia	28.70	1.4	543.6	6.7

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Abu Dhabi Comm. Bank	Abu Dhabi	6.07	(1.8)	3,317.9	(23.4)
Advanced Petrochem. Co.	Saudi Arabia	67.00	(1.6)	256.6	35.6
National Petrochemical	Saudi Arabia	33.80	(1.5)	43.7	42.4
Ooredoo	Qatar	7.77	(1.2)	2,018.2	9.7
Qatar Electricity & Water	Qatar	17.95	(1.1)	338.8	11.6

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatari Investors Group	1.83	(2.0)	1,221.8	2.3
Qatar Oman Investment Co.	0.89	(1.6)	1,712.9	32.3
Qatar Insurance Company	2.40	(1.5)	720.3	(24.1)
Mannai Corporation	3.03	(1.3)	903.1	(1.6)
Inma Holding	5.10	(1.2)	731.3	168.5

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.99	(0.6)	47,693.0	(12.6)
Masraf Al Rayan	4.54	(0.0)	19,694.6	14.6
Ooredoo	7.77	(1.2)	15,679.4	9.7
Al Khalij Commercial Bank	1.84	0.0	14,004.7	40.5
Aljjarah Holding	1.25	(0.1)	13,027.8	76.9

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*	10,500.09	(0.6)	(0.4)	2.3	0.7	70.22	164,495.1	17.9	1.5	3.8
Dubai	2,524.96	0.4	(0.1)	4.4	(8.7)	44.16	93,603.4	12.1	0.9	3.9
Abu Dhabi	5,099.04	(0.1)	(0.5)	2.7	0.5	92.87	199,020.8	21.2	1.4	4.8
Saudi Arabia	8,746.76	0.4	0.5	(0.0)	4.3	2,313.72	2,434,561.1	35.1	2.1	2.4
Kuwait	5,578.49	0.4	0.2	2.2	(11.2)	83.64	103,307.3	35.6	1.4	3.5
Oman	3,642.12	0.5	1.2	(0.0)	(8.5)	3.69	16,389.3	11.0	0.7	6.9
Bahrain	1,497.44	0.5	0.3	1.3	(7.0)	2.33	22,913.4	14.5	1.0	4.5

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

Qatar Market Commentary

- The QE Index declined 0.6% to close at 10,500.1. The Telecoms and Industrials indices led the losses. The index fell on the back of selling pressure from GCC, Arab and Foreigners shareholders despite buying support from Qatari shareholders.
- Qatari Investors Group and Qatar Oman Investment Company were the top losers, falling 2.0% and 1.6%, respectively. Among the top gainers, Ahli Bank gained 10.0%, while Qatar Islamic Insurance Company was up 2.8%.
- Volume of shares traded on Tuesday fell by 43.4% to 101.7mn from 179.6mn on Monday. Further, as compared to the 30-day moving average of 216.4mn, volume for the day was 53.0% lower. Investment Holding Group and Alijarah Holding were the most active stocks, contributing 14.4% and 10.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	38.32%	30.98%	18,991,848.7
Qatari Institutions	32.11%	27.25%	12,564,963.3
Qatari	70.42%	58.23%	31,556,812.0
GCC Individuals	0.55%	0.75%	(500,400.0)
GCC Institutions	3.93%	5.82%	(4,899,221.0)
GCC	4.48%	6.57%	(5,399,621.1)
Arab Individuals	8.16%	8.95%	(2,048,738.9)
Arab	8.16%	8.95%	(2,048,738.9)
Foreigners Individuals	2.32%	2.52%	(523,723.8)
Foreigners Institutions	14.63%	23.74%	(23,584,728.2)
Foreigners	16.95%	26.26%	(24,108,452.0)

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2020 results	No. of days remaining	Status
QNBK	QNB Group	12-Jan-21	13	Due

Source: QSE

News

Qatar

- **Fitch affirms DHBK rating at 'A', with Stable outlook** – Fitch Ratings (Fitch) has affirmed the Doha Bank's (DHBK) IDRs, Support Rating (SR), and Support Rating Floor (SRF) with Stable Outlook, reflecting Fitch's expectation of an extremely high probability of support from the Qatari authorities for domestic banks in case of need. This reflects the strong ability of Qatar to support its banks, as indicated by its rating (AA-/Stable), combined with Fitch's belief of a strong willingness to support the banking sector and the bank. The government and Qatar Central Bank have extended a QR75bn stimulus package (10% of GDP), which includes a zero-cost QR50bn repo facility for banks to provide credit extensions of both principal and interest to borrowers affected by the pandemic, until June 15, 2021. As part of the stimulus, Qatar Development Bank (QDB) launched a QR3bn National Guarantee Program that provides guarantees at subsidized rates to local banks against loans extended to SMEs affected by the pandemic. DHBK has a well-established and adequate franchise in Qatar. It accounted for about 6% of the sector's lending and deposits at end-9M2020 and has the second largest conventional branch network. DHBK's 'A' SRF is at the same level as other Qatari domestic systemically important banks' (D-SIB) SRFs. The bank's standalone creditworthiness is underpinned by a well-established domestic franchise in Qatar and a strategy to de-risk and consolidate its financial profile in the medium term. Fitch noted that the bank's revised strategy is to priorities asset-quality improvement through tightened underwriting standards, including growing government lending, a reduction in construction and real-estate exposures, cost optimization, and core capital strengthening. It now has a conservative approach to loan growth (9M2020: minus 5%). DHBK is focused

on consolidating its financial profile in the short term. It is likely to grow only moderately over the rating horizon, although it aims to maintain its established market position. The bank will priorities asset-quality improvement through tightened risk controls (regarding its weaker GCC operations and a reduction in high-risk construction and real estate exposures) and active loan monitoring. It also plans to optimize costs, maintain its net interest margin in line with peers and strengthen its core capitalization. The rating agency notes the bank's de-risking plan may prove challenging in the short to medium term given the effects of the pandemic, below-trend growth outlook in Qatar in 2020–2021 and lower hydrocarbon prices that will weigh on the government's capital spending. (Gulf-Times.com)

- **Qatar's industrial sector PPI witnesses more than 6% MoM increase in November** – The hydrocarbons and certain manufactured products as refined petroleum products and basic chemicals gave a strong impetus to Qatar's industrial sector, which witnessed a robust more than 6% MoM increase in producer price index (PPI) this November, according to official estimates. Qatar's PPI – a measure of the average selling prices received by the domestic producers for their output – however, saw a 24.6% YoY fall, said the figures released by the Planning and Statistics Authority (PSA). The mining PPI, which carries the maximum weight of 72.7%, reported a healthy 8.1% surge on a monthly basis in November 2020 as the selling price of crude petroleum and natural gas shot up 8.1%; while that of stone, sand and clay was down 0.2%. The PPI for mining registered 29.6% shrinkage on a yearly basis in November this year on the back of a 29.6% slump in the selling price of crude petroleum and natural gas and 8.3% in stone, sand and clay. The manufacturing sector, which has a weight of 26.8% in the

PPI basket, witnessed a 2.4% increase MoM in November this year on 3.5% jump in the selling price of refined petroleum products, 2.3% in basic chemicals. The manufacturing sector PPI had seen a yearly 14.1% contraction in November 2020 as the selling price of refined petroleum products plummeted 19.2%, basic chemicals (12.6%), other chemical products and fibres (6.9%). The utilities group, which has a mere 0.5% weightage in the PPI basket, saw its index gain 1.7% on monthly basis because the selling prices of electricity had risen 3.5%; even as that of water was down 0.2% in November 2020. The index had seen a 1.9% growth YoY this November with the selling price of water soaring 11.9%; whereas that of electricity declined 5.9%. (Gulf-Times.com)

- **BLDN announces the results of its board of directors meeting –** Baladna (BLDN) announced the results of its board of directors' meeting held on December 28, 2020 and approved – (1) The board of directors meeting minutes dated October 26, 2020, (2) Baladna's budget for the year 2021, and (3) Baladna's board of directors meetings calendar tentative for the year 2021 (QSE)
- **Ooredoo Maldives rolls out 5G, 5G AirFibre services –** Ooredoo Maldives has announced the commercial launch of its 5G services in the Maldives, with the initial rollout covering a large percentage of the capital city of Male, including key business hubs, hospitals, public spaces and more. At a special event held to celebrate the kick-start of the 5G era for the company, Ooredoo Maldives also launched 5G AirFibre – the first 5G powered home broadband services in the Maldives providing speeds that are tenfold. In addition to 5G mobile services, customers in the capital city can also experience the superfast speeds of 5G via 5G AirFibre Home Broadband. The enhanced connectivity with 5G AirFibre will provide incredibly high speeds, which is extremely positive news for local communities and businesses, especially for small and medium business working remotely or working from homes. Customers in Male can now check the eligibility of their area and pre-book their 5G AirFibre devices via Ooredoo Maldives website. Ooredoo Maldives also announced 5G Experience zones for customers. This includes the first 5G-powered VR Café' in the Maldives and Ooredoo Club Premier Lounge. (Gulf-Times.com)
- **Ooredoo announces change in tariff –** Effective February 1, 2021, Ooredoo postpaid plans will be charged at revised prices. These changes are in accordance with the General Terms and Conditions of service. Highlights of the changes are as follows: (1) Shahry 5G, Qatarna 5G and Data SIM 5G plans will be charged at revised prices, (2) Qatarna 5G and Data SIM 5G Unlimited plans will include two non-telco benefits at no additional cost, (3) Outdated Shahry, Qatarna and Mobile Broadband plans will all be upgraded to include access to the Ooredoo 5G network and will be charged at revised prices, (4) 19 outdated Mobile Broadband plans will no longer be available and customers on these plans will automatically be migrated to the new 5G Data SIM plans. (Gulf-Times.com)
- **QLM to hold Constitutive General Assembly meeting today –** Following the successful closure of the subscription period of the Initial Public Offering of QLM Life & Medical Insurance Company (QLM) on December 23, QLM announced that the allocation of offer shares to subscribers was completed Tuesday with the refund of excess application amounts occurring shortly

afterwards. Accordingly, QLM will hold its Constitutive General Assembly meeting Wednesday, following which the company will be converted from a limited liability company to a Qatari public shareholding company. The IPO witnessed high demand from retail and corporate investors and was oversubscribed, reflecting investors' enthusiasm and trust in the company. Given the high demand for offer shares, priority in the allocation of shares was given to retail investors, who received full allocation of the shares they applied for. Applications from corporate investors were therefore only partially allocated, with the majority of subscription amounts returned to corporate applicants. All anchor investors in the IPO, namely the General Retirement and Social Insurance Authority (GRSIA), Doha Insurance Group QPSC and Qatar Ports Management Company (Mwani), have been allocated the shares reserved for them based on pre-agreed commitments. Investors who subscribed in the IPO but were not allocated the full amount of shares they requested can purchase additional QLM shares following their listing on the Qatar Stock Exchange, which is expected on January 6, 2021, subject to obtaining the final regulatory approvals. Following their listing, the shares can also be purchased by international investors and investors who were not eligible to subscribe in the IPO. QLM's IPO was also the first IPO in Qatar where the vast majority of subscriptions were placed using online platforms, reflecting the rapid development of Qatar's capital markets. (Gulf-Times.com)

- **Real estate sector stages comeback in 2020 –** Qatar's real estate sector has staged an impressive comeback after going through a tumultuous year. After witnessing a lull in transactions during the second quarter of this year, the economic activity has again gained momentum, which is evident by significant rise in deal-making activities. One of the main highlights of the year was further opening of real estate sector by allowing foreigners to own real estate in more areas in the country. The move has boosted the sentiments of the stakeholders in real estate sector. With this move, the sector has become more accessible to a wider pool of investors. The flow of foreign capital is expected to increase. A look at monthly and quarterly real estate transactions shows that the confidence is returning back gradually. According to the Planning and Statistics Authority data, deals worth QR5.4bn were signed during April-June quarter of this year. The second quarter was crucial for this sector as the pandemic had begun to show its impact on the economy. This slowed down the activities, including real estate transactions because of the restrictions imposed to limit the spread of coronavirus. However, as a result of proactive measures taken by the government, the economic activity has started to gain momentum. These increased deal making activities in real estate sector which resulted signing of deals worth QR10.1bn during July-September quarter. The data for October-December quarter is yet to come, but the monthly figures regarding transactions signal that the real estate sector the recovery is sustainable. Values of deals and number of deals registered strong growth in November compared to October. The sector witnessed real estate deals worth QR2.38bn last month compared to QR1.75bn in October, reflecting a rise of around 36 percent. In previous months, the deal activities have shown rising trend. The deal-making activities had reached their lowest in April and May during the year. Deals worth

QR818m were signed in April in total 215 transactions while in May deals worth QR758mn were struck in 180 transactions. Property sales had reached QR11.4bn during the first six months of the year, compared to the QR10.8bn recorded during the same period last year. (Peninsula Qatar)

International

- **Johnson: UK-EU Brexit bill resolves 'vexed' European question** – Britain will be able to trade with its European neighbors and keep control of its laws and destiny, Prime Minister Boris Johnson will say on Wednesday before lawmakers vote on the Brexit deal he clinched at the eleventh hour. The accord struck on December 24 preserves Britain's zero-tariff and zero-quota access to the European Union's 450mn consumers, preventing the chaotic split business had feared. But it does not cover services, which make up 80% of the British economy, and trade in goods will still be hampered by red tape and higher costs. Johnson, however, will say the deal resets Britain's relationship with its neighbors, ending its "half-hearted" membership of the European club and instead becoming a sovereign equal able to do things differently. "Those of us who campaigned for Britain to leave the EU never sought a rupture with our closest neighbors," he will say according to excerpts released by his office. "What we sought was not a rupture but a resolution, a resolution of the old and vexed question of Britain's political relations with Europe, which bedeviled our post-War history." The deal, agreed more than four years after Britain narrowly voted to leave the bloc and as the clock ticked down on standstill arrangements, will open a new chapter, he will say. "Now, with this Bill, we shall be a friendly neighbor – the best friend and ally the EU could have – working hand-in-glove whenever our values and interests coincide while fulfilling the sovereign wish of the British people to live under their own laws, made by their own elected Parliament," he will say. The Brexit hardliners in Johnson's party agreed on Tuesday to back the deal, in effect guaranteeing its endorsement just a day before transition arrangements expire. It was already set to become law after the opposition Labor Party said it would vote in favor. (Reuters)
- **Turkey, UK sign extend their free-trade deal** – Turkey and the UK extended their free-trade deal on Tuesday, days before Britain formally leaves the European Union, to keep up the existing flow of goods. The trade ministers of the two countries signed the agreement in a televised videoconference call. It takes effect on January 1, 2021, ensuring a quick transition after the existing deal ends at the end of the year, Turkish Trade Minister Ruhsar Pekcan said. British trade minister Liz Truss has said that she was hopeful a bespoke deal between the countries could be struck soon. "We agreed the direction" toward an updated trade deal with the UK and would like to complete it "as soon as possible," Pekcan told Reuters after the deal was signed. "We are ready." The UK trade ministry said on Sunday the extended deal would replicate existing trading terms. The trading relationship was worth 18.6bn Pounds (\$25.25bn) in 2019. Last week, the UK clinched a narrow trade deal with the EU, its biggest trading partner. (Reuters)
- **Vietnam, Britain sign free trade deal, to take effect December 31** – Britain and Vietnam signed a free trade agreement on Tuesday, Vietnam's trade ministry said, days before Britain

completes its transition out of the European Union. The deal, which will for Britain replace the existing EU-Vietnam Free Trade Agreement (EVFTA), will take effect on December 31, the ministry said in a statement. Trade between Vietnam and Britain has risen by an average of 12% a year over the past decade to reach \$6.6bn last year, and the deal will help boost Vietnam's exports of garments, footwear products, rice, seafood and wooden furniture, it said. Since leaving the EU in January, Britain has been striking out alone and negotiating new trade deals with countries to replace those the bloc had negotiated. Tuesday's deal will ensure Britain does not lose access to preferential tariffs in one of the fastest growing and most open economies in Asia. The free trade agreement with Britain has the same provisions as those of EVFTA, the ministry said. EVFTA came into effect in August and was due to cut or eliminate 99% of tariffs on goods traded between Vietnam and the EU. "The agreement will create a framework for comprehensive, long-term and sustainable economic cooperation between the two countries," the ministry said. (Reuters)

- **German EU presidency: EU governments approve Brexit trade deal** – European Union (EU) governments approved a trade deal regulating relations between the 27-nation bloc and Britain, paving the way for its provisional application from January 1, German Foreign Minister Heiko Maas said. The deal, which preserves Britain's zero-tariff and zero-quota access to the EU's single market of 450 million consumers, was reached on December 24, 4-1/2 years after Britons voted by a slim margin in a referendum to leave the bloc. "I am pleased that all EU 27 have given approval. By joining forces, we have succeeded in preventing a chaotic turn of the year," Maas, whose country holds the rotating EU presidency, said on Twitter. The approval is a formality after a deal between London and the EU last week. It is needed for the provisional application of the trade agreement from next year, before it is ratified by the European Parliament by the end of February. The provisional trade deal is to be signed by EU Commission President Ursula von der Leyen and the Chairman of EU leaders Charles Michel. (Reuters)
- **BGA: German exports down more than 12% this year due to pandemic** – German exports shrank by at least 12% this year as demand from the US and Britain collapsed due to the coronavirus pandemic while Asia remained the only bright spot for Europe's largest economy, the BGA trade association said. "The COVID-19 pandemic has pushed us back five years when it comes to trade - and at the same time it has catapulted us five years into the future in terms of digitalization," BGA President Anton Boerner said. German exports to the US, its largest foreign sales market outside the European Union, fell by 16% and exports to Britain tumbled by 18.5%. "The only bright spots are China and Asia, their importance continued to increase during the pandemic," Boerner said. But it remained to be seen how a China-backed agreement among fifteen Asia-Pacific economies to form one of the world's largest free trade blocs would change demand for European goods in coming years, Boerner cautioned. China is likely to overtake France and the US this year to become number one destination for German exports by value for the first time as German companies double down on the resurgent Asian giant. European officials said on Monday that China and the EU are likely to clinch a deal this

week that would give EU firms better access to the Chinese market, improve competition conditions and protect EU investment in China. The BGA president urged European policy makers to overcome differences in trade policies with the US and find new common ground with President-elect Joe Biden. Exports could grow by up to 13% next year, said Boerner, warning, however, that forecasts were tricky due to the unpredictable nature of coronavirus pandemic developments. Boerner said it was unlikely that exports, an important driver of overall growth in Germany, would hit pre-crisis levels before 2022, adding, that could happen in the first or second quarter of that year. (Reuters)

- **Russia to scale down state support for the economy in 2021** – Russia will scale down its state support of the economy in 2021, eyeing rising costs on servicing burgeoning state debt in the fallout of its response to the COVID-19 pandemic and the collapse of oil prices, Finance Minister Anton Siluanov said. Running out of options to bolster public finances, Russia has more than doubled its domestic borrowing in 2020, raised some taxes and increased state spending as it relaxed its budget rule that shields the economy from external shocks. Russia's extra state spending to support the economy this year reached 4.5% of GDP and will shrink to 1% of GDP in 2021, Siluanov told reporters in comments cleared for publication on Tuesday. Still, the state development bank VEB may buy into preferred shares of the state-run Russian Railways to provide the latter with the funds for its investment program, Siluanov said. Siluanov shrugged off the World Bank's suggestions that Russian authorities can opt for a more gradual fiscal consolidation than currently planned. The finance ministry raised nearly 5.3tn Roubles (\$71.89bn) by selling OFZ treasury bonds on the domestic market in 2020, with the bulk of bonds purchased by major banks which dented Rouble liquidity levels in the interbank system. Russia has to return to the budget rule in 2022, Siluanov said, referring to the budget system praised by the IMF and the World Bank. (Reuters)
- **Brazil services confidence rises, still below pre-pandemic level** – Confidence in Brazil's services sector rose in December for the first time in three months, a survey showed on Tuesday, but continued concern over coronavirus means confidence remains below pre-pandemic levels from February. Services account for around 70% of all economic activity, and they have lagged other areas, such as manufacturing and industry, in recovering from the pandemic-fueled slump. Its recovery is crucial to sustaining wider economic growth. The Getulio Vargas Foundation's (FGV) services sector confidence index rose 0.8 points to 86.2 points in December, after two monthly declines had halted the recovery from April's record low 51.5. As the FGV chart below shows, the index stood at 94.4 in February before the pandemic struck. "Although favorable, caution is needed as consumers are still quite fearful of the increase in the number of (COVID-19) cases and uncertainty regarding the arrival of the vaccine in Brazil," said FGV economist Rodolpho Tobler. "The outlook for the coming months is for the recovery to continue, but there is still a long way to go to get back to the pre-pandemic level," he said. (Reuters)
- **Brazil's jobless rate falls to 14.3%, first decline this year** – Brazil's unemployment rate fell unexpectedly to 14.3% in the

three months through October, official figures showed on Tuesday, the first decline this year as the number of people with jobs rose by almost 2mn from the prior three months. The 14.3% unemployment rate was down from a record 14.6% in the three months to September, statistics agency IBGE said, and lower than the median forecast of 14.7% in a Reuters poll of economists. The jobless rate ended last year at 11.0%. Formal job growth has hit record levels recently as Latin America's largest economy recovers from the worst of the COVID-19 pandemic. Tuesday's data gave the first sign that the broader labor market, including millions of informal workers, may be turning as well. The IBGE figures showed 84.3mn Brazilians had work, up 2.8% from the May-July period but still down 10.4%, or 9.8mn people, from the same period last year. The workforce of 98.4mn people was up more than 3mn from the three months through July, and the number of people who were entirely out of the workforce fell by almost 2mn to 77.2mn, IBGE said. Compared with a year ago, however, there are almost 10mn fewer Brazilians with work and 12mn more who have left the workforce altogether, she added. If the labor market cannot continue to absorb the millions of people returning to look for work, the unemployment rate could push back up again to new record highs. Less than half the working population, about 48%, have a job, IBGE said. The number of Brazilians officially unemployed in the three months to October stood at 14.1mn people, IBGE said, up by almost 1mn, or 7%, from May-July and 13.7% higher than a year ago. The number of underemployed was largely unchanged at 32.5mn people from May-July, IBGE said. (Reuters)

Regional

- **Saudis, Russia reaffirm commitment to OPEC+, oil price stability** – Saudi and Russian government officials reiterated commitment to OPEC+ agreement to support oil market stability in recent meeting, according to statement in Kingdom's official press agency. Discussions were part of broader cooperation talks of the Saudi-Russian Joint Governmental Committee for Commercial, Economic, Scientific and Technical Cooperation. (Bloomberg)
- **SAMA's assets down 3.18% YoY in November** – Assets of the Saudi Central Bank (SAMA) slid by 3.18% in November 2020 on a YoY basis. SAMA's assets stood at SR1.86tn last November, compared with SR1.92tn in the year-ago month, according to SAMA's monthly bulletin. On a monthly basis, the assets hiked when compared to their level in October at SR1.82tn. (Bloomberg)
- **Saudi general reserve at SR420.3bn by November-end** – Saudi Arabia's general reserve decreased by 14.3% or SR70.12bn YoY in November 2020, whereas stabilized on a monthly basis. The Kingdom's general reserve stood at SR420.347bn by November-end, compared with SR490.47bn in the corresponding month in 2019, according to the monthly report released by the Saudi Central Bank (SAMA). The government's current account declined by 5.6% yearly in November to reach SR54.6bn, whereas rose by 3.75% monthly. (Bloomberg)
- **Expat remittances in Saudi Arabia soar to SR136.3bn in 11 months** – Remittances by expatriates in Saudi Arabia jumped by 19.57% or SR22.3bn yearly during the first eleven months of 2020. Remittances stood at SR136.27bn in the January-

November period of 2020, compared with SR113.97bn in the same period in 2019. In November, remittances surged by 29.8% on an annual basis to reach SR12.86bn. During the January-November period, remittances paid by Saudi nationals shrank by 17.6% or SR9.36bn yearly to total SR43.78bn. In November, remittances amounted to SR4.85bn, a yearly drop of 18.6%. (Bloomberg)

- **Saudi Arabia to get 3mn Pfizer COVID-19 vaccine doses** – Saudi Arabia expects to receive 3mn doses of the Pfizer COVID-19 vaccine by the end of May 2021, al-Arabiya reported, citing unidentified officials at the country's health ministry. Saudi Arabia is also expected to approve other vaccines after undergoing tests. Pfizer will supply Saudi Arabia 1mn doses of the vaccine by the end of February. (Bloomberg)
- **STC opens three big data centers at SAR1bn investment** – Saudi Telecom Company (STC) launched on Tuesday three big data centers simultaneously in Riyadh, Jeddah, and Madinah at an investment of around SR1bn. The step aims to enable the digital transformation of government and private sectors and enhance the cloud infrastructure of the local digital economy in the fields of artificial intelligence (AI), Internet of Things (IoT), and computing and automating, in tandem with the Vision 2030 goals, according to a press release. Moreover, the centers will provide more flexible and high-speed digital solutions to customers. They include more than 150 ready units, providing bioenergy for information technology at a capacity of 10.8 megawatts (expandable to 16.8 megawatts). On Monday, STC announced investing around \$500mn in cloud services over the upcoming five years in a partnership with eWTP Arabia Capital, one of the largest venture capital funds in the region, and Alibaba Cloud, the digital technology and intelligence backbone of Alibaba Group. (Bloomberg)
- **Naseej International submits capital increase request to CMA** – Naseej International Trading Company (Naseej International) on Monday submitted a request to the Capital Market Authority (CMA) for a capital increase by way of a rights issue. Wasatah Capital has been appointed as the offering's financial adviser, according to a bourse filing on Tuesday. In September, Naseej International's board recommended reducing the company's capital and then raising it by SR150mn via a rights issue. (Bloomberg)
- **Mulkia Investment pens financing deal with Al Rajhi Bank** – Mulkia Investment Company (Mulkia), manager of Mulkia Gulf Real Estate REIT Fund, has signed a Shari'ah-compliant financing agreement with Al Rajhi Bank to reduce financing costs and extend the loan term for the benefit of the unit-holders. The limit of withdrawable facilities is SR600mn, according to a bourse filing on Tuesday. The seven-year credit facilities will be used to pay outstanding facilities withdrawn from Bank Albilad worth SR342.6mn. The remaining loan amount will be used in acquiring additional real estate assets for the fund. The guarantees provided for the loan are mortgage of real estate assets equivalent to 200% of the value of the withdrawn facilities for Al-Rajhi Bank, in addition to providing promissory notes. (Bloomberg)
- **Dubai plans to vaccinate 70% of population with Pfizer-BioNTech vaccine in 2021** – The Dubai Health Authority (DHA) is planning to vaccinate 70% of the Emirate's population with

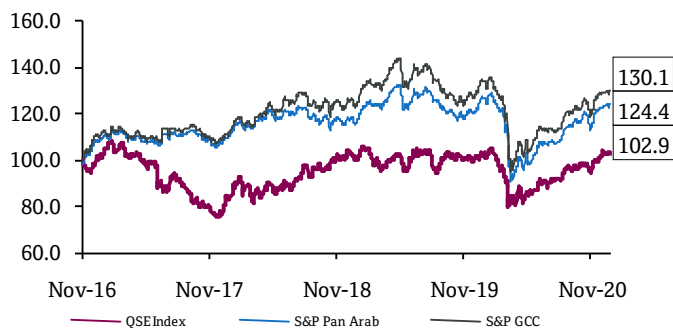
the Pfizer-BioNTech coronavirus (COVID-19) vaccine by the end of 2021, a health official told Reuters. The CEO of Medical Support Services and Nursing at the DHA, Faridah Al Khaja, said that the second phase of vaccination will be available for all citizens and residents starting April. The first phase of the vaccination campaign started last week, focusing on priority groups including those aged 60 and older, people with chronic diseases, those with disabilities, and frontline workers. Dubai has followed Saudi Arabia, the first Arab country to use the Pfizer vaccine earlier this month, but none of the other emirates has announced plans to introduce the vaccine to their campaigns. Abu Dhabi began its vaccination campaign using a vaccine made by China National Pharmaceutical Group (Sinopharm). (Bloomberg)

- **UAE announces New Year holiday for private sector** – The UAE government has announced Friday, January 1, 2020, as an official paid holiday for all private-sector entities to celebrate New Year. This announcement was made by the UAE Minister of Human Resources and Emiratization, Nasser bin Thani Al Hamli, on the ministry's official Twitter account. (Bloomberg)
- **Gulf Cement obtains SCA's approval for capital cut** – Gulf Cement Co. has obtained the approval of the Securities and Commodities Authority (SCA) in the UAE to cut its issued capital to AED410.55mn from AED821.1mn. To reduce its issued capital, 410.55mn shares will be cancelled from the issued shares of the company, according to the company's disclosure to the Abu Dhabi Securities Exchange (ADX) on Tuesday. The capital reduction will help in extinguishing the company's accumulated losses, which cannot be compensated for from future profits in the short and medium-term. Reducing the capital will offer a surplus of the legal reserve amounting to AED159.183mn and transferring it to the voluntary reserve to record AED163.916mn. Hence, an optional reserve of 39.9% of the capital that can be distributed upon the availability of the company's liquidity will be provided. The financial impact of the capital cut will be registered in the company's financials for the period ending on 31 December 2020. (Bloomberg)
- **Empower awards AED1.39bn contracts in 2020** – The total value of contracts awarded by Emirates Central Cooling Systems Corporation (Empower) to construct new district cooling plants and expand district cooling networks reached AED1.39bn in 2020. The other contracts granted by Empower include energy transmission stations, thermal energy storage (TES) systems, procurement of pre-insulated pipes and meters, and billing system expansion, according to a press release on Tuesday. Meanwhile, the district cooling services provider has increased the value of its total contracts by 23% in 2020, when compared to 2019. (Bloomberg)
- **Agthia's board agrees on issuing mandatory convertible bonds to acquire Al Foah** – The board of Agthia Group has approved to issue mandatory convertible bonds with a nominal value of AED1 each in an aggregate amount of AED450mn to acquire Al Foah Company. Agthia will issue these bonds to General Holding Corporation (Senaat) as an acquisition price for Al Foah, the world's largest dates and date-based products processing and packaging company, according to Agthia's disclosure to the Abu Dhabi Securities Exchange (ADX) on Tuesday. These bonds will be converted to 120mn shares at a

conversion price of AED3.75 for each new share in Agthia. Hence, Agthia's issued share capital will increase to AED720mn from AED600mn. During its meeting, the board has also agreed on all agreements related to the transaction, including the bond issuance agreement and the acquisition agreement. (Bloomberg)

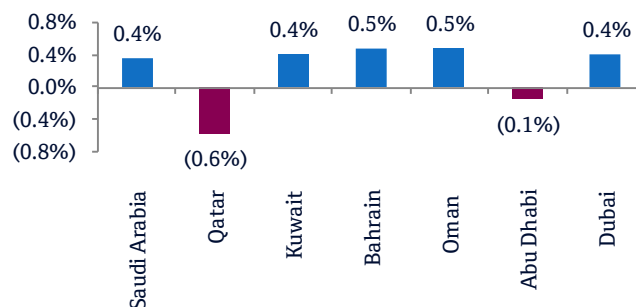
- **Wizz Air Abu Dhabi to launch operation in mid-January** – Wizz Air Abu Dhabi, the UAE's newest national airline, will officially launch its operations starting on 15 January, with an inaugural flight to Athens, the Emirates News Agency (WAM) reported. Wizz Air Abu Dhabi, established in partnership between ADQ and the UK-based Wizz Air Holdings, will also launch flights from Abu Dhabi to Thessaloniki in Greece, starting on February 4, 2021. The airline's fleet includes Airbus A321neo aircraft, which will enable the company to have the lowest environmental footprint among its competitors in the region. (Bloomberg)
- **Kuwait's central bank to conduct stress tests on local banks** – Kuwait's central bank is starting a new stress test mechanism for local banks to assess increasingly complex scenarios following the coronavirus pandemic, a statement on the central bank's website said, citing Governor Mohammed Al-Hashel. The results will be announced in the first quarter of 2021. (Bloomberg)
- **Kuwait aims to vaccinate 80% of population by September 2021** – Kuwait aims to vaccinate 80% of its population against COVID-19 by September next year after starting an inoculation campaign last week with the shot developed by Pfizer Inc. and BioNTech SE, a Health Ministry official said. As of Monday, 2,500 people were vaccinated and second doses will be administered from Jan. 14, said Dr. Ghada Ebrahim, director for public relations and media at Kuwait's Health Ministry. The prime minister was the first to receive the vaccine on December 24, to encourage people to register online and vaccinate, she said. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,878.18	0.2	(0.3)	23.8
Silver/Ounce	26.21	(0.1)	1.5	46.8
Crude Oil (Brent)/Barrel (FM Future)	51.09	0.5	(0.4)	(22.6)
Crude Oil (WTI)/Barrel (FM Future)	48.00	0.8	(0.5)	(21.4)
Natural Gas (Henry Hub)/MMBtu	2.40	(9.4)	(9.4)	14.8
LPG Propane (Arab Gulf)/Ton	73.00	1.9	4.3	77.0
LPG Butane (Arab Gulf)/Ton	75.50	1.3	8.2	15.3
Euro	1.22	0.3	0.5	9.2
Yen	103.58	(0.2)	0.1	(4.6)
GBP	1.35	0.4	(0.4)	1.9
CHF	1.13	0.5	0.6	9.5
AUD	0.76	0.4	0.0	8.3
USD Index	89.99	(0.4)	(0.3)	(6.6)
RUB	74.04	0.4	(0.2)	19.4
BRL	0.19	0.7	0.1	(22.9)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,682.19	0.2	0.9	13.7
DJ Industrial	30,335.67	(0.2)	0.4	6.3
S&P 500	3,727.04	(0.2)	0.6	15.4
NASDAQ 100	12,850.22	(0.4)	0.4	43.2
STOXX 600	401.61	1.1	1.9	5.3
DAX	13,761.38	0.1	1.7	13.4
FTSE 100	6,602.65	1.2	1.2	(11.0)
CAC 40	5,611.79	0.7	2.1	2.3
Nikkei	27,568.15	3.0	3.3	22.6
MSCI EM	1,266.77	1.2	0.9	13.6
SHANGHAI SE Composite	3,379.04	(0.4)	(0.3)	18.1
HANG SENG	26,568.49	1.0	0.7	(5.3)
BSE SENSEX	47,613.08	0.7	1.5	12.0
Bovespa	119,409.10	1.9	1.9	(20.0)
RTS	1,398.48	0.5	1.5	(9.7)

Source: Bloomberg (*\$ adjusted returns)

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