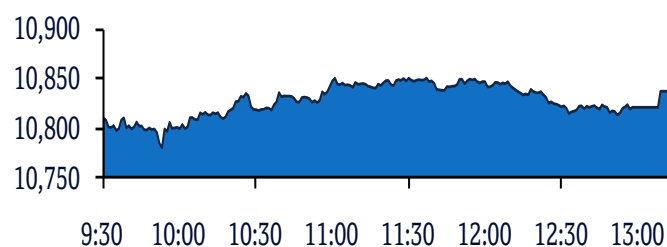


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined marginally to close at 10,838.7. Losses were led by the Banks & Financial Services and Industrials indices, falling 0.3% and 0.2%, respectively. Top losers were Ezdan Holding Group and Qatar Oman Investment Company, falling 3.5% and 2.2%, respectively. Among the top gainers, Doha Insurance Group gained 2.9%, while Qatari German Company for Medical Devices was up 2.6%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.2% to close at 8,884.5. Gains were led by the Software & Services and Retailing indices, rising 2.8% and 0.9%, respectively. Al-Omran Industrial & Trading rose 9.9%, while Allied Cooperative Ins. was up 8.8%.

Dubai: The DFM Index gained 0.1% to close at 2,701.2. The Banks index rose 1.0%, while the Transportation index gained 0.1%. Gulf Navigation Holding rose 5.1%, while Ajman Bank was up 1.6%.

Abu Dhabi: The ADX General Index gained 0.4% to close at 5,258.2. The Services and Consumer Staples indices rose 5.9% each. AGTHIA Group rose 6.7%, while Methaq Takaful Insurance was up 2.2%.

Kuwait: The Kuwait All Share Index gained 0.5% to close at 5,645.1. The Consumer Goods and Basic Materials indices rose 0.9% each. Arkan Al Kuwait Real Estate rose 18.3%, while National Consumer Holding Company was up 10.8%.

Oman: The MSM 30 Index fell 1.4% to close at 3,675.1. Losses were led by the Financial and Services indices, falling 1.4% and 0.6%, respectively. Ominvest declined 4.7%, while Ahli Bank was down 4.0%.

Bahrain: The BHB Index gained 0.4% to close at 1,458.2. The Insurance index rose 1.6%, while the Commercial Banks index gained 0.7%. Bahrain Kuwait Insurance rose 4.7%, while Ahli United Bank was up 2.1%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Doha Insurance Group	1.46	2.9	277.6	4.9
Qatari German Co for Med. Devices	2.40	2.6	19,280.1	7.3
Ooredoo	8.34	2.5	2,938.0	10.9
Baladna	1.75	2.2	6,655.9	(2.2)
Qatar First Bank	1.74	1.9	15,799.6	1.1

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	0.57	0.5	21,808.2	(4.2)
Ezdan Holding Group	1.67	(3.5)	20,395.6	(6.0)
Qatari German Co for Med. Devices	2.40	2.6	19,280.1	7.3
Mazaya Qatar Real Estate Dev.	1.25	1.5	17,849.1	(1.1)
Qatar First Bank	1.74	1.9	15,799.6	1.1

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,838.69	(0.0)	1.5	3.9	3.9	123.45	170,426.7	18.3	1.6	3.6
Dubai	2,701.15	0.1	2.9	8.4	8.4	101.52	97,419.7	12.8	0.9	3.6
Abu Dhabi	5,258.17	0.4	1.8	4.2	4.2	131.49	204,164.2	20.9	1.5	4.7
Saudi Arabia	8,884.46	0.2	1.7	2.2	2.2	2,294.83	2,451,000.2	35.5	2.1	2.4
Kuwait	5,645.06	0.5	1.9	1.8	1.8	149.06	105,796.3	36.1	1.4	3.5
Oman	3,675.05	(1.4)	(0.7)	0.4	0.4	2.43	16,598.7	11.0	0.7	6.8
Bahrain	1,458.24	0.4	0.5	(2.1)	(2.1)	4.08	22,247.0	14.2	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)

Market Indicators	12 Jan 21	11 Jan 21	%Chg.
Value Traded (QR mn)	451.8	590.7	(23.5)
Exch. Market Cap. (QR mn)	623,816.5	625,613.3	(0.3)
Volume (mn)	196.4	187.0	5.0
Number of Transactions	10,149	13,747	(26.2)
Companies Traded	46	47	(2.1)
Market Breadth	23:17	25:18	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	20,837.02	(0.0)	1.5	3.9	18.3
All Share Index	3,328.13	(0.1)	1.3	4.0	19.0
Banks	4,420.15	(0.3)	0.7	4.1	15.4
Industrials	3,199.74	(0.2)	0.9	3.3	28.6
Transportation	3,604.16	0.2	6.7	9.3	16.5
Real Estate	1,911.75	(0.1)	0.2	(0.9)	16.9
Insurance	2,544.45	(0.0)	2.6	6.2	N.A.
Telecoms	1,113.18	2.1	6.4	10.1	16.6
Consumer	8,249.95	0.5	0.7	1.3	29.4
Al Rayan Islamic Index	4,365.91	0.0	0.8	2.3	20.0

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
SABIC Agri-Nutrients Co	Saudi Arabia	87.90	2.9	703.9	9.1
Ooredoo	Qatar	8.34	2.5	2,938.0	10.9
Savola Group	Saudi Arabia	43.10	2.3	559.0	1.4
Ahli United Bank	Bahrain	0.72	2.1	879.4	(5.3)
The Commercial Bank	Qatar	4.48	1.5	1,926.2	1.9

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ominvest	Oman	0.32	(4.7)	51.8	(4.1)
Ahli Bank	Oman	0.12	(4.0)	311.4	(5.5)
Bank Dhofar	Oman	0.10	(3.8)	244.3	3.1
Ezdan Holding Group	Qatar	1.67	(3.5)	20,395.6	(6.0)
Sohar International Bank	Oman	0.10	(2.1)	200.9	4.4

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%
Ezdan Holding Group	1.67	(3.5)	20,395.6	(6.0)
Qatar Oman Investment Co.	0.85	(2.2)	2,818.3	(4.3)
INMA Holding	5.02	(1.4)	576.1	(1.8)
Doha Bank	2.40	(0.9)	2,707.0	1.5
Qatar Islamic Insurance Company	7.15	(0.7)	84.6	3.6

QSE Top Value Trades	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Dev.	2.40	2.6	46,264.5	7.3
Ezdan Holding Group	1.67	(3.5)	34,571.1	(6.0)
Qatar First Bank	1.74	1.9	27,328.6	1.1
Ooredoo	8.34	2.5	24,132.2	10.9
Mazaya Qatar Real Estate Dev.	1.25	1.5	22,165.0	(1.1)

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index declined marginally to close at 10,838.7. The Banks & Financial Services and Industrials 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.
- Ezdan Holding Group and Qatar Oman Investment Company were the top losers, falling 3.5% and 2.2%, respectively. Among the top gainers, Doha Insurance Group gained 2.9%, while Qatari German Company for Medical Devices was up 2.6%.
- Volume of shares traded on Tuesday rose by 5.0% to 196.4mn from 187.0mn on Monday. However, as compared to the 30-day moving average of 204.4mn, volume for the day was 3.9% lower. Investment Holding Group and Ezdan Holding Group were the most active stocks, contributing 11.1% and 10.4% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	40.54%	53.25%	(57,452,979.4)
Qatari Institutions	21.85%	17.59%	19,236,720.1
Qatari	62.39%	70.85%	(38,216,259.3)
GCC Individuals	0.89%	0.78%	479,556.1
GCC Institutions	3.69%	2.43%	5,700,964.8
GCC	4.58%	3.21%	6,180,520.9
Arab Individuals	10.57%	10.06%	2,298,918.6
Arab Institutions	–	0.02%	(73,403.5)
Arab	10.57%	10.08%	2,225,515.1
Foreigners Individuals	3.50%	3.51%	(49,401.7)
Foreigners Institutions	18.97%	12.36%	29,859,625.0
Foreigners	22.46%	15.87%	29,810,223.3

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 4Q2020	% Change YoY	Operating Profit (mn) 4Q2020	% Change YoY	Net Profit (mn) 4Q2020	% Change YoY
Gulf Hotels Co. Ltd*	Oman	OMR	3.0	-64.2%	–	–	(0.9)	N/A
The Financial Corporation Co.**	Oman	OMR	280.8	-20.8%	–	–	(266.6)	N/A
Sohar Power Co.*	Oman	OMR	27.3	-46.1%	–	–	2.1	83.5%
Oman United Insurance Co.*	Oman	OMR	30.9	-0.8%	–	–	4.2	24.8%
Oman Chlorine*	Oman	OMR	15.6	4.1%	2.1	66.4%	(0.9)	N/A
SMN Power Holding*	Oman	OMR	82.9	-0.9%	17.7	12.9%	10.3	29.7%
Musandam Power Company	Oman	OMR	17.7	-2.0%	–	–	2.3	-11.5%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands, *Financial for FY2020)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
01/12	China	The People's Bank of China	Money Supply M2 YoY	Dec	10.1%	10.7%	10.7%
01/12	China	The People's Bank of China	Money Supply M0 YoY	Dec	9.2%	10.4%	10.3%
01/12	China	The People's Bank of China	Money Supply M1 YoY	Dec	8.6%	10.2%	10.0%
01/12	India	India Central Statistical Organisation	Industrial Production YoY	Nov	-1.9%	-1.0%	4.2%
01/12	India	India Central Statistical Organisation	CPI YoY	Dec	4.59%	5.0%	6.93%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 4Q2020 results	No. of days remaining	Status
MARK	Masraf Al Rayan	19-Jan-21	6	Due
QFLS	Qatar Fuel Company	21-Jan-21	8	Due
IHGS	INMA Holding Group	25-Jan-21	12	Due
GWCS	Gulf Warehousing Company	26-Jan-21	13	Due
QIHK	Qatar International Islamic Bank	26-Jan-21	13	Due
QNCD	Qatar National Cement Company	27-Jan-21	14	Due
CBQK	The Commercial Bank	27-Jan-21	14	Due
KCBK	Al Khalij Commercial Bank	27-Jan-21	14	Due
QAMC	Qatar Aluminum Manufacturing Company	4-Feb-21	22	Due
DHBK	Doha Bank	8-Feb-21	26	Due
QIMD	Qatar Industrial Manufacturing Company	14-Feb-21	32	Due

Source: QSE

Qatar

- QNB surpasses Total Assets of One Trillion Qatar Riyals with a strong performance despite the global pandemic** – Net Profit for the full year reached QAR12.0 billion, a decrease of 16% compared to last year. Operating Income increased by 1% compared to last year despite the impact of Covid-19 and the decline in oil prices. This reflects QNB Group's success in maintaining growth across the range of revenue sources. The headwinds arising from the Covid-19 pandemic prompted QNB Group to take all necessary actions to protect the well-being of the employees, customers and shareholders. Considering the long-term financial impacts of Covid-19, QNB Group decided to set aside an additional QAR5.8 billion in respect of loan loss provisions as a precautionary measure. During 2020, QNB Group renewed its drive for cost rationalization in addition to sustainable revenue generating sources. This has helped QNB Group to materially improve the efficiency (cost to income) ratio from 25.9% to 24.3% which is considered one of the best ratios among the large financial institutions in the MEA region. For the first time in history of the region, QNB became the first banking institution to record total assets of QAR1.0 trillion, representing an increase of 9% from last year. QNB's disciplined approach towards execution of its long-term strategy enabled the Group to achieve the One Trillion Qatar Riyal Total Asset milestone after 56 years of successful operation since inception. The growth in total assets was mainly driven by strong growth in loans and advances by 7% to reach QAR724 billion. On the funding side, QNB diversified its customer deposits generation which helped to increase deposits by 8%, to reach QAR739 billion from 31 December 2019. QNB strengthened its asset and liability management capabilities helping to reduce its loans to deposits ratio from 99.2% to 98.0% as at 31 December 2020 mainly due to conservative credit underwriting during the year and more focus on deposit generation given the current low interest rate environment. In 2020, QNB Group materially increased its loan loss provisioning by QAR5.8 billion, primarily to protect itself from potential loan losses due to the ongoing economic challenges faced by borrowers in key markets where QNB Group operates. Despite the above, the ratio of nonperforming loans to gross loans amounted to 2.1% as at 31 December 2020, one of the lowest amongst financial institutions in the MEA region, reflecting the high quality of the Group's loan book and the effective management of credit risk. The Group's conservative policy in regard to provisioning for potential loan losses resulted in the coverage ratio improving to 107% as at 31 December 2020. At 31 December 2020, QNB Group reported robust levels of capital measured in terms of the Capital Adequacy Ratio at 19.1%, higher than the regulatory minimum requirements of the Qatar Central Bank and Basel Committee. QNB remains the highest-rated bank in Qatar and one of the highest-rated banks in the world with ratings of Aa3 from Moody's, A from S&P and A+ from Fitch. These ratings are a testament to our capital strength, governance, prudent risk management, business and operating model. This provides us with a competitive advantage to access global capital markets for wholesale funding and enables us to continue our growth and expansion plans in line with our strategy. The year 2020 opened up new funding opportunities for QNB Group under its

EMTN program, including a successful completion of four public debt issuances namely, USD600 million forty year Formosa bond issuance in January, USD1 billion seven year term note issuance in February, USD 1 billion five year term note issuance in May followed by a debut five year Green bond for USD600 million in September. QNB Group's first green benchmark bond became the first-ever green bond issued from Qatar and the largest green bond issuance by a financial institution in the MENA region. These issuances were part of QNB Group's ongoing strategy to ensure diversification of funding in terms of type, tenor and geography. In addition, QNB Group completed the syndication for its global dual tranche USD3.5 billion unsecured term loan facility in November 2020. The new term loan facility included tranches of USD2.0 billion three-year and USD1.5 billion five-year tranches. All of these deals attracted strong interest around the world from key global investors, reflecting investors' confidence in QNB Group's financial strength and its position as the largest financial institution in the Middle East and Africa region and demonstrates our standing as a high quality issuer and confirmation of our successful strategy of becoming a leading bank in MEASEA. (QNB Group Press Release)

- QNB Group's Board of Directors recommends the distribution of a cash dividend of 45% of the nominal share value** – QNB, the largest financial institution in the Middle East and Africa (MEA) region, announced that the Board of Directors, during its meeting held today has approved its results for the year ended 31 December 2020. QNB Group achieved sustainable financial results for 2020 and in line with QNB Group's aim of maximizing returns to its shareholders, the Board of Directors have recommended to the General Assembly the distribution of a cash dividend of 45% of the nominal share value (QAR0.45 per share). The financial results for 2020 along with the proposed profit distribution are subject to Qatar Central Bank (QCB) approval. The year 2020 had another year of sustainable performance, one of the high quality set of results in the Group's history helping to build resilience to unexpected global economic headwinds, demonstrating a steady momentum of business growth despite Covid-19. (QNB Group Press Release)
- Qatargas completes first LNG STS transfer** – Qatargas Operating Company Limited (Qatargas) on Tuesday announced the completion of the first-ever commercial ship-to-ship (STS) transfer of a liquefied natural gas (LNG) cargo involving a Q-Flex LNG vessel. The transfer took place at Subic Bay in the Philippines. A full cargo of 212,000 cubic meters aboard the Qatargas-chartered Q-Flex vessel 'Mesaimmer' was loaded at Ras Laffan Port on December 18, 2020 and delivered as two separate parcel discharges. One parcel was delivered as the ship-to-ship transfer in Subic Bay on January 6, 2021, and the second parcel as delivery to Jiangsu LNG terminal, China. Both sales were made to PetroChina as the customer. The LNG vessel, 'Mesaimmer,' is on a long-term charter to Qatargas and operated by Nakilat Shipping (Qatar) Limited. (Qatar Tribune, Gulf-Times.com)
- FocusEconomics: Qatar's economy to expand in 2021** – Qatar's economy is set to expand in 2021 on stronger domestic and foreign demand, FocusEconomics has said in its latest report.

Easing tensions with Gulf neighbors should also provide support, the report said. Qatar's economy appears to have recovered strongly in the third quarter of 2020 following second quarter's sharp contraction with the non-energy private sector Purchasing Managers' Index (PMI) averaging markedly higher amid the progressive lifting of lockdown restrictions, it said. However, the report said, the oil and gas subsector contracted in annual terms throughout the period. Turning to the fourth quarter, the report said, available signs are fairly positive. The PMI remained above its historical average despite dipping somewhat from the third quarter, while the energy sector expanded in October. "On the fiscal front, the government announced the 2021 budget in December, which sees a slight decline in revenue on a highly conservative oil price of \$40 per barrel, and expenditure down 7.5% from the 2020 budget to QR195bn," the report said. FocusEconomics panelists see a 2.8% rise in GDP in 2021, which is unchanged from last month's forecast, before growth of 3.7% in 2022. Consumer prices fell 2.9% in November in annual terms, down from the 2.4% decline in October. Prices are seen rising this year as activity recovers and thanks to a supportive base effect. "Our panelists see consumer prices rising 1% in 2021, which is unchanged from last month's forecast. In 2022, our panel sees inflation averaging 1.9%," the report said. (Qatar Tribune)

- **Property sales wrap up 2020 at record high value** – Property sales in Qatar between December 27 and 31 generated QR2.7bn, with sales of buildings bringing in the biggest chunk of it — around 2.6bn, which accounts for 97% of the total transactions, the latest Ezdan Real Estate report has said. Citing figures from Qatar's Real Estate Registration Department, the report said sale of land lots during the period generated up to QR78mn, accounting for 2.9% of the total sales. Most of the sales took place across eight municipalities — Umm Salal, Al Khor, Al Dhakhira, Al Doha, Al Rayyan, Al Shamal, Al Daayen, Al Shehanyah and Al Wakra. Doha Municipality acquired the highest deal in terms of value through the sale of a tower in the Onaizah area, at a value of QR609mn. The tower spans over an area of 4,030 square meters, at a price of QR14,039 per square foot. Doha has also witnessed the sale of two towers at the same price, each at QR467mn located in the Pearl Region, while Al-Mirqab area witnessed the sale of another tower at a value of QR212.3mn. (Qatar Tribune)
- **MoTC collecting data to develop Qatar Freight Master Plan** – The Ministry of Transport and Communications (MoTC) is currently considering the Qatar Freight Master Plan (QFMP), which is expected to be finalized by the end of 2022. The MoTC is at the stage of collecting data and conducting relevant surveys and questionnaires, according to a statement. This effort includes collecting a wide range of freight-related information on origins, routes and destinations of freight movements, the flow rate of trucks at major junctions, as well as other qualitative and quantitative data on the performance of the freight industry across Qatar in general, the ministry has said in a statement. Field surveys are being conducted to collect data needed to develop the QFMP. Extensive data will be collected through traffic counts on roads, traffic counts on junctions using cameras, measuring trip duration on existing roads, classifying the vehicles -- including all types of trucks, and conducting surveys and questionnaires with employers and

staff of construction, logistics, heavy and light transportation and freight services companies, as well as with harbors countrywide and Hamad International Airport. Based on this information, a traffic model that simulates the reality can be developed supported by an enhanced capability for understanding how variables are impacting freight activity until 2050, as well as the latest techniques deployed in the freight and delivery industry. The QFMP aims to establish a modern infrastructure for the freight industry across the country as part of an integrated transportation system in such a way that upgrades the culture and service of freight in Qatar to the best global standards and practices in terms of traffic safety and least possible environmental imprint, the statement explains. (Gulf-Times.com)

- **Commodities 2021: Qatar buoyed by gas price surge as it forges ahead on LNG expansion** – Surging LNG prices are giving Qatar an incentive to quickly move forward in 2021 with the expansion of its export capacity and further develop its new gas trading venture. Since May, when the S&P Global Platts JKM spot price bottomed out below \$2/MMBtu due to oversupply, the market has enjoyed a sustained rally. The benchmark was assessed at an all-time high of \$28.22/MMBtu on Jan. 11 as extreme cold took hold in northeast Asia, boosting demand for spot cargoes amid a period of tightness in the LNG shipping market. State-owned Qatar Petroleum is planning a to increase LNG production by 43% to 110mn mt/year by 2025, up from 77mn mt/year currently. A second phase of its project to expand the North Field -- the world's largest offshore gas field -- will increase capacity by an additional 16mn mt/year to 126mn mt/year by the end of 2027. Since the North Field expansion was first announced in 2017 major international LNG players have been aggressively vying for stakes in the \$20 billion project. They include Qatar's existing LNG partners Total, Exxon Mobil, Royal Dutch Shell and ConocoPhillips, as well as Eni, Chevron, Equinor, and several Asian players. So far, none have been offered contracts. "The IOCs have got to invest in something. It's probably looking like not a bad time to get back into LNG," said Jim Krane, a fellow at Rice University's Baker Institute for Public Policy. "LNG exports, especially with long term contracts, are a pretty stable source of income. They're not as prone to volatility as oil, and gas synergizes well with renewables." (Bloomberg)

International

- **US labor market losing speed as COVID-19 spirals out of control** – US job openings fell moderately in November, but mounting layoffs amid rampant COVID-19 infections supported views that the labor market recovery from the pandemic was stalling. The Job Openings and Labor Turnover Survey, or JOLTS report from the Labor Department on Tuesday followed on the heels of news last Friday that the economy shed workers in December for the first time in eight months. The slowing labor market and a worsening public health crisis could pressure the incoming Biden administration to deliver a bigger relief package. Joe Biden will take over from President Donald Trump next Wednesday. The government approved nearly \$900bn in additional fiscal stimulus in late December after months of haggling, causing a delay that has also been blamed for the labor market's struggles. Job openings, a measure of labor

demand, dropped 105,000 to 6.527mn on the last day of November. Though vacancies have decreased from as high as 7.012mn in January, they remain more than double levels seen during the 2007-09 Great Recession. There were 1.6 unemployed workers for every vacancy in November. Job openings declined in manufacturing, information and educational service sectors. But there were more unfilled jobs in the retail sector. The job openings rate fell to 4.4% from 4.5% in October. Layoffs increased 295,000 to nearly 2.0mn in November and were mostly in the West. That lifted the layoffs rate to 1.4% from 1.2% in October. Job cuts were led by the accommodation and food services industry, which shed 263,000 workers. Out-of-control coronavirus infections have led to wide-spread curbs on businesses, with restaurants and bars bearing the brunt of the restrictions. (Reuters)

- **'Darkest hour': BoE's Bailey sees UK economy in difficult times** – Bank of England (BoE) Governor Andrew Bailey said on Tuesday that Britain's economy was facing its "darkest hour", and played down suggestions that cutting interest rates below zero would be a straightforward way to boost growth. He said a resurgence in COVID-19 cases meant there would be a difficult few months ahead - although a recovery was within sight once COVID-19 vaccines were rolled out. His comments followed finance minister Rishi Sunak's warning on Monday that the economy would likely get worse before it got better, with the country now in its third national lockdown and struggling to contain the spread of the coronavirus. "There's an old saying about the darkest hour is the one before dawn," Bailey said in an online speech to the Scottish Chambers of Commerce. "(We're) in a very difficult period at the moment and there's no question that it's going to delay, probably, the trajectory." He declined to say if this pointed towards more stimulus at the BoE's February 4 policy decision, stressing that officials would have a lot more data to review before then. (Reuters)
- **BDI: German economy expected to grow by 3.5% this year** – Germany's BDI industry association said on Tuesday it expected Europe's largest economy to grow 3.5% this year after plunging roughly 5% in 2020 but that it wouldn't be able to return to its pre-pandemic level until next year at the earliest. The BDI forecast is less optimistic than the government's estimates, published in October, in which Berlin predicted GDP to rebound with an expansion rate of 4.4%. BDI President Siegfried Russwurm said the economy will not be able to return to its pre-crisis level in 2021 due to the second wave of the pandemic. "But there should be a good chance that it will do so in the first half of 2022," Russwurm added. The Federal Statistics Office will release a flash estimate for full-year 2020 GDP figures on Thursday. The government will update its GDP growth forecast for 2021 later this month. BDI said it expected Germany's export-oriented industrial sector to drive the recovery this year as the global economic outlook for 2021 had improved. The lobby group sees exports jumping 6% this year after plunging roughly 11% in 2020. "The election of Joe Biden as US President facilitates the path for multilateral solutions and joint initiatives for fair competition on the world markets," Russwurm said. (Reuters)
- **Asia's corporate earnings expected to rise 26.4% in 2021, Refinitiv data shows** – Analysts expect a strong turnaround in

profits at Asian companies as regional economies see a surge in factory activity and an expansion in exports, helped by approvals for multiple coronavirus vaccines. Asia's large- and mid-cap companies are expected to post profit growth of 26.4% in 2021, after an estimated 5% growth last year, according to Refinitiv data. Singapore, South Korea and Japanese firms lead the earnings growth for the region this year, boosted by a surge in electronics exports. The data also showed Chinese firms were to likely record an 18.8% rise in profits this year, compared with 10.5% in 2020. "China could see further earnings upgrades driven by sustained business activity growth and online/offline retail sales growth albeit at a slower pace," Goldman Sachs wrote in a report. "India and Korea are also likely to see earnings revision upgrades helped by sustained strong manufacturing activity data and exports," it said. In different sectors, industrials and consumer discretionary companies are expected to post a faster recovery this year, after being hit heavily by the COVID-19 pandemic last year. Energy and mining firms are also poised to see a strong growth this year, thanks to a surge in commodity prices. (Reuters)

- **China outstanding total social financing up 13.3% YoY at end-December** – China's outstanding total social financing (TSF) was 284.83tn Yuan (\$44.09tn) at the end of December, up 13.3% from a year earlier, the central bank said on Tuesday. TSF includes off-balance-sheet forms of financing that exist outside the conventional bank lending system, such as initial public offerings, loans from trust companies and bond sales. In December, TSF fell to 1.72tn Yuan from 2.13tn Yuan in November. Analysts polled by Reuters had expected December TSF of 2.20tn Yuan. (\$1 = 6.4605 Chinese Yuan renminbi) (Reuters)
- **India's retail inflation eases to 4.59% YoY in December** – India's retail inflation eased to 4.59% in December from a year ago, mainly helped by a sharp fall in vegetable prices, government data released on Tuesday showed, falling within the central bank's target of 2%-6% after eight months. Analysts in a Reuters poll had predicted the annual inflation at 5.28% for the month. (Reuters)

Regional

- **S&P: Global sukuk issuance to rise to \$140-\$155bn in 2021** – The global Sukuk market should continue to enjoy record-low interest rates and abundant liquidity throughout 2021 and beyond, S&P said in a report on Tuesday. It expects total Sukuk issuance of about \$140bn-\$155bn this year, thanks to a recovery in issuance in Malaysia, Indonesia, and the GCC countries. This compares with a drop in issuance to \$139.8bn in 2020 from \$167.3bn a year earlier. "We expect GDP growth in the core Islamic finance countries--the GCC countries, Malaysia, Indonesia, and Turkey--to recover from a sharp recession in 2020. We also assume that the price of oil will stabilize at about \$50 per barrel in 2021. Together, these factors underpin a stronger performance by the global Sukuk market in 2021 than in 2020," the report said. An increase in issuance by corporates, is also expected. Their activity was muted in 2020 as they held on to cash and deferred capital expenditure (capex) because of the pandemic. They are likely to execute some of this capex in 2021, thereby necessitating access to capital markets. The report noted that \$65bn of Sukuk mature in 2021,

and part of this sum is likely to be refinanced on the sukuk market. However, significant downside risks remain. Chief of these is whether the COVID-19 pandemic can be brought under control, even if a vaccine is widely available by mid-year. (Zawya)

- **Fitch Ratings: 2020 Sukuk supply resilient with momentum to continue** – Global sukuk supply is expected to accelerate in 2021 following a resilient 2020 as issuers seek to refinance maturing debt and fund large budget needs, Fitch Ratings says. The easing of GCC investment restrictions following the normalization of relations between Qatar and its neighbors will also contribute to higher volumes. Innovative and diverse issuances like green, sustainable, transition and hybrid sukuk are likely to continue to attract wider investor demand. Sovereigns in key Islamic finance jurisdictions are expected to remain major contributors to overall Sukuk volumes. Issuance from first-time sovereign issuers, financial institutions and corporates are set to increase as they face challenging conditions and take advantage of the current lower cost of funding. Qatari sukuk volumes are expected to gradually rise after the normalization of relations between Qatar and its GCC neighbors, and the eventual easing of investment restrictions for Islamic investors based in countries such as Saudi Arabia and UAE. Sukuk issuances with maturities of more than 18 months from the GCC region, Malaysia, Indonesia, Turkey and Pakistan fell slightly by 1.9% YoY to reach \$41.3bn in 2020. The volume of total outstanding Fitch-rated Sukuk reached \$118.6bn, 12.9% higher YoY. Green & Sustainable sukuk supply increased sharply by 96.2% YoY to reach \$8.4bn. However, the rating outlook for Sukuk remains challenged. The proportion of Sukuk from issuers with negative outlooks increased sharply to 23.4% (2019: 1.5%), mainly due to Covid-19-related disruption and low oil prices. Only one international Sukuk publicly defaulted in 2020: NMC Health plc (unrated by Fitch). About 81.3% of Sukuk were investment grade. The ICE Benchmark Administration has announced a consultation on the cessation of a number of USD Libor reference tenors being delayed from December 2021 to June 2023, to give extra time for the transition. However, the bulk of the Sukuk market is fixed-rate and largely unaffected. (Bloomberg)
- **Saudi Arabia puts financing for Riyadh airport expansion on hold** – Saudi Arabia has put on hold financing plans potentially worth billions of dollars for the expansion of Riyadh's airport, sources said, a sign that the Kingdom is re-assessing strategic priorities after the coronavirus crisis. Riyadh Airports Company, which manages and operates King Khalid International Airport in the Saudi capital, approached banks last year with a request for financing proposals on the planned airport expansion, which sources said would have been worth several billions of dollars. The expansion was part of the country's aim to diversify the economy, create jobs and reduce dependence on oil revenues. The company has now halted the process, three banking sources said. "At this stage, it's been cancelled," said one of the sources. "In this environment I guess they have decided that it doesn't necessarily make sense to borrow money to expand the airport right now," said the source, speaking on condition of anonymity because the matter is private. "It has been put on hold, postponed. They are

prioritizing projects based on budgetary needs," a second source said. (Reuters)

- **Saudi Aramco seeks \$7.5bn loan for pipeline investors** – Saudi Aramco is lining up a loan of about \$7.5bn for potential investors in its oil pipelines, according to sources. The world's biggest oil producer has begun talks with lenders to secure favorable terms for the funding package that would then be offered to investors, sources said. The discussions are occurring in parallel with the sale of a stake in a pipeline unit, which could raise about \$10bn for Aramco, sources said. A pipeline deal would be the first phase of Aramco's effort to raise money from leasing rights or stakes in non-core assets, mirroring what Abu Dhabi National Oil Co. (ADNOC) has done in the past few years. The Saudi company is working with advisers including JPMorgan Chase & Co. and Moelis & Co., the Wall Street investment bank that is also involved in the ADNOC deals. (Bloomberg)
- **NADEC to form joint venture with Olam, others to bid for Saudi Grains flour mill** – National Agricultural Development Co. (NADEC) has signed a non-binding MoU to form a consortium to bid for Saudi Grains flour mill. The MoU has been signed with Olam, Al Rajhi International for Investment; Abdulaziz Alajlan & Sons, the bid value will be determined after due diligence on the mill. (Bloomberg)
- **Argaam: Saudi's Advanced Petrochemical sees better 1Q2021 selling prices** – Advanced Petrochemical sees rise in demand driving product prices higher in 1Q2021, Argaam reported, citing an interview with Chairman, Khalifa Al Mulhem. It will focus on new project in Jubail Industrial City 2; expects that to boost results. The Construction will start this year and commercial operation to start by the end of 2023 or early 2024. (Bloomberg)
- **Walaa board recommends capital increase with target of SR775mn** – Saudi Arabia's Walaa Cooperative Insurance Company (Walaa) will increase its capital by offering a rights issue, with a target amount of SR775mn. In a statement to the Saudi stock exchange Tadawul, the company said the board had recommended the move to support growth and maintain its solvency margin. Shareholders registered within two trading days of the company's general assembly meeting will be eligible for the issuance. (Zawya)
- **Dubai-listed Arabtec to hire deNovo to sell its subsidiary Target** – Dubai-listed contractor Arabtec Holding is going to hire corporate advisory firm deNovo for a potential sale of its subsidiary Target, two sources said. The Dubai-listed builder that is facing liquidation is hoping that funds raised will be used to pay creditors and salaries, said the sources, declining to be named as the matter is not public. Arabtec's engagement with deNovo is due to begin this week, said one of the sources. Arabtec and deNovo did not immediately respond to a request for comment on Tuesday. Target specializes in oil and gas projects and marine work with operations in the UAE, Qatar and Saudi Arabia, its website says. (Zawya)
- **Dubai's open-city policy saw hotel bookings surge in December** – Occupancy at Dubai's hotels surged in December and neared pre-pandemic levels as travelers flocked to the emirate to escape coronavirus lockdowns at home. Hotels were 71% full last month, the highest figure since February -- research firm

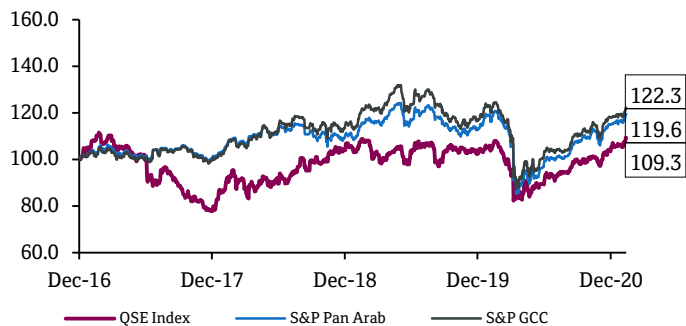
STR said, citing preliminary data. Dubai's hotel occupancy, for years one of the highest in the world, slumped to 23% in part of 2020 from about 80%. Dubai attracts about 16mn tourists annually and its hotels were initially among the worst-hit by travel restrictions introduced to keep the pandemic in check. (Bloomberg)

- **SHUAA seeks acquisitions after Stanford Marine Deal** – SHUAA Capital is looking to make more acquisitions and consolidate some of its businesses to improve growth this year, the UAE-based company's Chief Executive Officer, Jassim Alseddiqi said. An investor group led by SHUAA took 100% control of oil-services provider Stanford Marine Group after buying its debt, he said. SHUAA will make additional investment in UAE-based Stanford Marine and expand its presence in the shipping industry, which is bouncing back from five years of weak performance, he said. "We are interested in this area, and we are forming our position in that," Alseddiqi said. The investment bank also owns debt of Dubai-based shipper Gulf Navigation Holding, he said. The CEO did not give further details on deals his company may be seeking. (Bloomberg)
- **First Abu Dhabi Bank raises CNY1.5bn from Formosa Bond** – First Abu Dhabi Bank raises CNY1.5bn via Formosa bond sale. The five-year bond is at 3.15%, the target size raised from CNY1bn. Majority of investors comprised onshore Taiwanese and Asian investors. (Bloomberg)
- **Kuwait government resigns en masse as Emir faces first big challenge** – Kuwaiti Ministers handed in their resignations to the prime minister on Tuesday, the government communications office (CGC) said, days after lawmakers submitted a motion asking to question the premier over issues including the makeup of the cabinet. Prime Minister, Sheikh Sabah Al-Khalid Al-Sabah must submit the resignations to the OPEC member state's ruler, Emir Sheikh Nawaf Al-Ahmed Al-Sabah, for approval. Three main Kuwaiti newspapers earlier said Sheikh Sabah was expected to do so. The resignation of the cabinet, formed on December 14, had been expected after the move in parliament earlier this month that posed the first political challenge for the new Emir as the country faces its worst economic crisis in decades. The Prime Minister had been due to be questioned at a parliamentary session on January 19. CGC said the government submitted its resignation "in light of developments in the relationship between the National Assembly and the government," but did not elaborate. (Reuters)
- **Kuwait sells KD240mn 91-day bills; bid-cover at 11.34x** – Kuwait sold KD240mn of 91-day bills due on April 13, 2021. Investors offered to buy 11.34 times the amount of securities sold. The bills have a yield of 1.125% and settled on January 12, 2021. (Bloomberg)
- **Oman hires banks for US\$ 144A/RegS multi-tranche bond** – Oman has mandated Citi, HSBC, JPMorgan and Standard Chartered Bank as global coordinators and together with Bank Dhofar, Gulf International Bank, Natixis and QNB Capital as joint lead managers and joint bookrunners to arrange a global investor call and a series of fixed-income investor calls from January 12. A multi-tranche 10 and 30 year benchmark US\$-denominated senior unsecured Rule 144A / Regulation S bond transaction and the re-opening of the Government of the

Sultanate of Oman's US\$ 750mn 4.875% Notes due 2025 under the Government's Global Medium Term Note Program, expected to be rated Ba3 by Moody's and BB- by Fitch, will follow subject to market conditions. (Bloomberg)

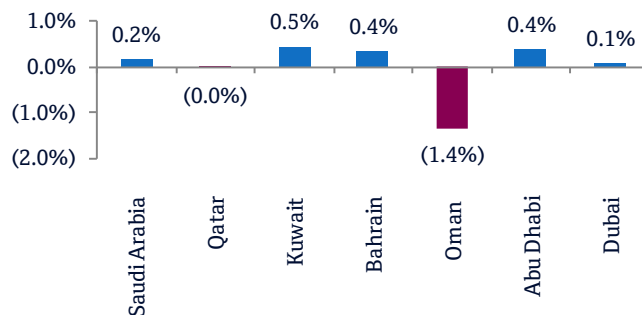
- **Oman's December consumer prices fall 1.42% YoY** – Oman's consumer prices fell 1.42% YoY in December versus a fall of 1.46% in November, according to the Oman National Centre For Statistics & Information. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,854.77	0.6	0.3	(2.3)
Silver/Ounce	25.56	2.6	0.5	(3.2)
Crude Oil (Brent)/Barrel (FM Future)	56.58	1.7	1.1	9.2
Crude Oil (WTI)/Barrel (FM Future)	53.21	1.8	1.9	9.7
Natural Gas (Henry Hub)/MMBtu	2.68	0.0	(0.9)	12.5
LPG Propane (Arab Gulf)/Ton	87.75	0.0	1.4	16.6
LPG Butane (Arab Gulf)/Ton	86.25	1.5	1.5	15.0
Euro	1.22	0.5	(0.1)	(0.1)
Yen	103.76	(0.5)	(0.2)	0.5
GBP	1.37	1.1	0.7	(0.0)
CHF	1.13	0.4	(0.1)	(0.2)
AUD	0.78	1.0	0.2	1.0
USD Index	90.09	(0.4)	(0.0)	0.2
RUB	73.55	(1.5)	(0.8)	(1.2)
BRL	0.19	3.1	1.8	(2.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,734.40	0.2	(0.7)	1.6
DJ Industrial	31,068.69	0.2	(0.1)	1.5
S&P 500	3,801.19	0.0	(0.6)	1.2
NASDAQ 100	13,072.43	0.3	(1.0)	1.4
STOXX 600	408.61	0.1	(1.1)	2.0
DAX	13,925.06	(0.0)	(1.3)	0.6
FTSE 100	6,754.11	0.1	(1.4)	4.3
CAC 40	5,650.97	(0.1)	(1.4)	1.4
Nikkei	28,164.34	0.0	0.0	1.8
MSCI EM	1,353.57	0.3	0.0	4.8
SHANGHAI SE Composite	3,608.34	2.5	1.2	4.9
HANG SENG	28,276.75	1.3	1.4	3.8
BSE SENSEX	49,517.11	0.8	1.6	3.4
Bovespa	123,998.00	2.5	(1.2)	(0.0)
RTS	1,484.96	1.3	1.3	7.0

Source: Bloomberg (*\$ adjusted returns)

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