QSE retreats below 11,100 points despite foreign funds' buy support

By Santhosh V Perumal
Business Reporter

The Qatar Stock Exchange yesterday retreated below 11,100 levels despite increased buying interests of the foreign funds.

Local and Gulf retail investors were seen bullish even as the 20-stock Qatar Index declined 15 points or 0.13% to 11,092.9 points, although it touched an intraday high of 11,109 points.

Four of the seven sectors were however under buying spotlight in the market, whose year-to-date gains were at 6.29%.

About 57% of the traded constituents were in the red in the bourse, whose capitalisation declined QR27mn or 0.04% to QR640.02bn, mainly on microcap segments.

The telecom, industrials and real estate counters witnessed higher than average selling pressure in the market, which saw the industrials and consumer goods and services sectors together constitute about 66% of the total trading volume.

The overall trade turnover grew amidst lower volumes in the bourse, where the domestic institutions were increasingly net profit takers.

The Islamic index was seen declining slower than the other indices in the market, which saw a total of 21,624 exchange traded funds (Masraf Al Rayan sponsored QATR) valued at QR53,669 change hands across six deals.

The Total Return Index shrank 0.13% to 21,959.07 points, All Share Index by 0.05% to 3,526.39 points and Al Rayan Islamic Index (Price) by 0.01% to 2,515.68 points in the market which saw no trading of sovereign bonds and treasury bills.

The telecom sector index dipped 0.93%, industrials (0.77%) and realty (0.43%); whereas consumer goods and services gained 0.73%, insurance (0.5%), transport (0.16%) and banks and financial services (0.14%).

Major losers included Zad Holding, Industries Qatar, Investment Holding Group, Ooredoo, Al Khaleej Takaful, QIIB, Gulf International Services, Barwa, United Development Company and Mazaya Qatar.

Nevertheless, Qamco, Qatari German Medical Devices, Doha Bank, Woqod, QLM, QNB, Qatar Oman Investment, Mannai Corporation, Baladna, Qatar Insurance, Ezdan and Milaha were among the gainers.

The domestic funds' net selling expanded significantly to QR53.97mn compared to QR12.25mn on August 30.

The Gulf institutions turned net sellers to the tune of QR6.18mn against net buyers of QR12.07mn the previous day.

The Arab individuals were net sellers to the extent of QR4.36mn compared with net buyers of QR0.09mn on Monday.

Foreign individuals turned net profit takers to the tune of QR0.6mn against net buyers of QR0.21mn on August 30.

However, the foreign institutions' net buying grew drastically to QR55.39mn compared to QR11.68mn the previous day.

Local retail investors were net buyers to the extent of QR8.59mn against net sellers of QR11.8mn on Monday.

The Gulf individuals turned net buyers to the tune of QR1.07mn compared with net sellers of QR0.01mn on August 30.

The Arab institutions were seen net buyers to the extent of QR0.07mn against no major net exposure for the last seven consecutive sessions.

Total trade volume fell 6% to 191.66mn shares, while value grew 53% to Q643.65mn and transactions by 5% to 10,857.

The real estate sector's trade volume plummeted 31% to 15.26mn equities, value by 5% to QR24.98mn and deals by 27% to 806.

The industrials sector reported 28% shrinkage in trade volume to 74.31mn stocks but on 16% increase in value to QR187.06mn despite 11% lower transactions at 3,184.

However, the transport sector's trade volume grew more than five-fold to 6.62mn shares and value more than quadrupled to QR21.98mn on 64% jump in deals to 345.

The insurance sector's trade volume more than tripled to 4.97mn equities and value more than doubled to QR13.72mn on 12% expansion in transactions to 181.

The telecom sector's trade volume soared 70% to 5.32mn stocks and value more than tripled to QR33.12on 52% growth in deals to 978.

There was 26% surge in the consumer goods and services sector's trade volume to 52mn shares, 70% in value to QR114.37mn and 42% in transactions to 1,832.

The banks and financial services sector's trade volume was up 3% to 33.19mn equities, value by 70% to QR248.42mn and deals by 6% to 3,531.

In the venture market, both Al Faleh and Mekdam Holding were seen gaining 0.72% and 3.74% respectively.

Qatar's auto sector maintains bullish trend m-o-m in July

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Qatar's automobile sector maintained a bullish trend month-on-month this July, mainly on the back of a robust double-digit growth in the registration of new vehicles, especially for private use and heavy equipment, according to the official statistics.

The new vehicle registration stood at 5,440; representing a 4% month-on-month growth but was down 2.5% year-on-year in the review period.

The registration of private vehicles stood at 3,337, which registered a 10.6% and 2.2% increase month-on-month and year-on-year respectively in July 2021.

Such vehicles constituted more than 61% of the total new vehicles registered in the country in the review period.

Of the new 5,440 vehicles registered this July, the registration of new private transport vehicles stood at 1,456; which constituted 27% of the total new vehicles. Such registrations saw 0.8% and 9.3% jump on monthly and yearly basis respectively in July 2021.

According to the Qatar Central Bank data, auto loans to Qataris and non-Qataris were seen declining 29.88% and 19.23% year-on-year respectively to QR1.15bn and QR0.21bn this July.

The personal loans to Qataris reported 18.71% shrinkage year-on-year to QR48.54bn and those to non-Qataris by 16.32% to QR8.1bn in the review period.

The overall consumption credit to nationals grew 10.9% year-on-year to QR141.23bn; while that to non-Qataris shrank 12.83% to QR11.48bn in July this year.

The registration of new heavy equipment stood at 300, which reported a 25.5% and 32.7% surge month-on-month and year-on-year respectively this July. It constituted 5.51% of the new vehicles registered in the review period.

The registration of new motorcycles stood at 297, which nevertheless showed 17.7% and 40% plunge month-on-month and year-on-year in the review period. Such registrations constituted 5.46% of the new vehicles registered in July 2021.

The new registration of other non-specified vehicles stood at 28 units, registering 80.4% and 89.1% contraction on monthly and yearly basis respectively in July 2021.

The registration of trailers witnessed 18.5% and 43.6% decline month-on-month and year-on-year to 22 units this July.

The transfer of ownership was reported in 23,222 vehicles this July, which saw a 15.1% and 27.3% decrease month-on-month and year-on-year respectively.

The renewal of registration was reported in 56,030 units, which saw 24.4% and 31.2% shrinkage on monthly and yearly basis in the review period.

The re-registration of vehicles saw 25.8% and 43.3% decline month-on-month and year-on-year to 72 units in July 2021.

The cancelled vehicles stood at 1,805 units, which fell 27.2% month-on-month but witnessed 21.7% growth on a yearly basis in the review period.

The modified vehicles shrank 44.8% month-on-month to 3,583 in July 2021. However, it saw a 17.5% expansion year-on-year.

The number of lost/damaged vehicles stood at 10,562 units, which fell 28.4% on a monthly basis. It nevertheless grew almost seven-fold year-on-year in July 2021.

The number of vehicles meant for exports stood at 1,576, which retarded 27.5% month-on-month in July 2021. It however shot up 43.7% year-on-year.

Clearing of vehicle-related processes stood at 102,773 units, which plummeted 22.9% and 18.9% month-on-month and year-on-year in the review period.

Anoud Tech wins business in Europe and Caribbean

Anoud Technologies (Anoud Tech), a wholly-owned IT subsidiary of Qatar Insurance Company (QIC) and a leading international provider of software solutions for the insurance industry, has been selected by leading insurers in Europe and Caribbean to implement its cutting edge 'Anoud+' insurance platform.

This was disclosed by the parent organisation QIC in its regulatory filing with the Qatar Stock Exchange.

"We are delighted to partner with highly ambitious, customer-oriented insurers in Europe and the Caribbean on their digital transformation journeys. We look forward to collaborating with the clients, and helping each of them rapidly achieve business objectives, enhance customer experience, and attain significant competitive advantage," said Salem al-Mannai, Anoud Tech chairman and managing director.

Established in close collaboration between QIC and Swiss Re, Anoud Tech is helping insurance companies succeed in a rapidly evolving environment. Its growth is in line with Qatar National Vision 2030, which emphasises the development of a digital economy as a means of empowering the private sector and reducing the nation's dependence on hydrocarbon industries.

Anoud+, an integrated platform that fully addresses the insurance cycle, provides insurers with an efficient, comprehensive way to manage all aspects of their insurance programmes.

Through Anoud+, insurers have immediate access to a proven, market-leading end-to-end solution, including modules for client relationship management, underwriting, technical accounting, finance, policy and claims management, workflow and document management, business intelligence and reporting, data analytics and reinsurance administration. Swiss Re's market leading insurance solutions, 'Portfolio Insights' and 'CATNet', are fully integrated into Anoud+ and help insurers manage underwriting strategy and monitor exposure to natural catastrophes.

It is a modern, open 'API-based' system that enables insurers to accelerate revenue streams by integrating with distribution and affinity partners and seamlessly launching new products.

"Anoud Tech's selection by leading insurers in Europe and the Caribbean is testament to its exceptional capabilities in developing cutting-edge insurance IT offerings. Anoud+ is a future-ready solution that addresses the major challenges that insurers are facing in today's fast-changing marketplace," according to K V Kumar, Anoud Tech chief executive.

Anoud+ will enable the clients to transform their business processes while improving new business origination by streamlining and accelerating policy submission, he said.

Waseef launches new electronic Vendor Café platform for suppliers

Integrated asset, property and facility management services company Waseef launched the new electronic platform, with the aim of initiating the procedures and transactions of the supplier companies.

The new platform, which provides integrated electronic services for companies and suppliers, will contribute to accelerate the payment and billing process, in addition to receiving purchase orders, submitting invoices, following up on suppliers' financial payments, and completing these services electronically, as well as benefiting from all its advantages to improve the management of transactions with suppliers.

These are in addition to its environmental dimension, by reducing, printing costs and eliminating paperwork.

The platform will also enhance Waseef's risk reduction by evaluating all supplier companies and making sure that only approved ones are added to them, in addition to its reliability in all respects, as it has been tested on issues of security of services and transactions that will take place through it.

The launch of Vendor Café for companies and suppliers confirms its leadership in the field of real estate management, which reinforces its position as a pioneering company in innovating and launching new quality services to serve its customers and stakeholders.

Waseef said it seeks to consolidate its position as one of the largest companies working in the field of real estate and asset management by adopting modern and advanced digital solutions, which is in line with Waseef's vision and Qatar National Vision 2030.

The launch of the new electronic platform is a clear message from Waseef Company to harness all available means of modern technology in order to provide the greatest possible comfort for the companies that deal with it. Especially, since global conditions have accelerated the pace of digital services provided by modern technology.

Waseef will continue to work on providing all the electronic services, whether for companies or individuals, in order to maintain its position as a leading company in the real estate project and asset management sector.

Pemex is buying a US refinery that lost $360mn this year

Bloomberg
Mexico

The Texas oil refinery that Petroleos Mexicanos is buying has racked up a rare net loss of about $360mn this year, adding to the challenges Mexico faces in seeking energy independence.

Mexico's state-owned oil giant agreed in May to buy Royal Dutch Shell Plc's majority stake in the Deer Park refinery. The facility's forced shutdown during the Texas freeze in mid-February led it to post the losses through July, according to people with knowledge of the situation. Deer Park has also struggled with market volatility during the pandemic, and its debt has soared past $1bn in recent months, said the people, who asked not to be named because they weren't authorised to speak to the media.

Pemex didn't respond to a request for comment. Shell said it doesn't disclose the financial performance of individual assets.

Pemex chief executive officer, Octavio Romero, said in May that Deer Park, a joint venture between Pemex and Shell, had traditionally posted profits, although it incurred a loss due to the pandemic last year. As of May it had $980mn in debt, he said.

Deer Park's net loss this year – more than half the $596mn that Pemex agreed to pay for Shell's stake in the refinery – shows how the government's strategy to shed Mexico's dependence on foreign energy may put even more pressure on Pemex's finances. Its debt now tops $115bn, more than any other oil company, following a decade and a half of oil production declines. The producer agreed to purchase Shell's 50.1% stake in May using federal funds as part of a government strategy to shed Mexico's dependence on foreign energy markets.

President Andres Manuel Lopez Obrador swept into power in late 2018 promising to revive Pemex as an oil producing powerhouse and restore Mexico's fuel production.

That policy has involved constructing an $8.9 billion refinery known as Dos Bocas in the president's home state of Tabasco, increasing output at Pemex's existing six refineries, and the Deer Park purchase.

Mexico Energy Minister Rocio Nahle has spearheaded the Dos Bocas project and has lauded Pemex's purchase of Deer Park as promoting the country's energy independence goals. In a recent interview with Bloomberg, Nahle said that the Deer Park refinery was profitable. "No, it's not losing" money, she said from the ministry office in Villahermosa, Tabasco. "Pemex did an internal and external business analysis with an external company and the results they presented are very good."

In June, US Representative, Brian Babin, a Republican from Texas, published a letter to the Committee on Foreign Investment in the United States opposing the deal because he claimed that Pemex does not have the executive, managerial, or technical expertise to operate the Deer Park refinery safely.

Eurozone inflation may justify end to ECB crisis mode, says official

Bloomberg
Frankfurt

The eurozone's inflation outlook may have improved markedly enough to justify an immediate slowdown in European Central Bank stimulus, an end to its pandemic emergency bond programme in March, and then a return to pre-crisis discipline, according to policy maker Klaas Knot.

"I would expect a decision that should not be incompatible" with terminating the debt-buying plan in March, the Dutch governor said in an interview in Alpbach, Austria on Tuesday, discussing the options for next week's Governing Council meeting. "That would imply a reduction in the purchase pace."

The ECB has taken a more cautious approach than other global central banks such as the Federal Reserve, keeping policy ultra-loose to cushion Europe's fragile rebound amid the prospect of a resurgent pandemic, even with inflation now at the highest in a decade.

Klaas Knot, ECB official.

Some officials including Knot are insisting that brightening prospects for the economy mean a line should be drawn on the current period of emergency policy settings. His colleague Robert Holzmann said in a separate interview on Tuesday that the improved outlook warrants a reduction in bond buying.

An initial debate will take place next week on whether to keep up an elevated pace of debt buying.

The Governing Council also needs to decide in coming months on whether to extend or end its pandemic debt-buying programme – known as PEPP – in March, and how to continue its more conventional quantitative easing programme thereafter, known as the APP.

"Both programmes have been conceived under completely different conditions, and therefore the proportionality assessment that has been made at the start of these two programmes has also been completely different," Knot said. "Some of the flexibility that characterised PEPP would go against some of the safeguards that have been built into the APP."

That suggests the Dutch governor will be among hawks at the ECB arguing that the APP should keep its stricter rules that currently insist that purchases should proportionately match the size of national economies – a straitjacket that may limit the programme's scope because the institution has bought up so much government debt.

Knot, who spoke the same day as economic data showed an inflation surge in the eurozone to 3%, said that economic prospects may generally warrant a shift away from crisis settings.

"PEPP has a clearly delineated objective – repairing the damage that the coronavirus has inflicted on the inflation outlook," he said, adding that such a goal is within reach.