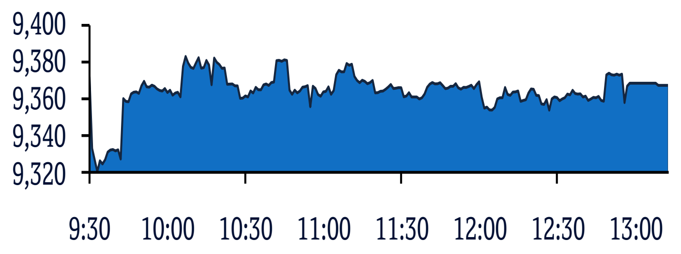
Daily Market Report

Wednesday, 05 August 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined marginally to close at 9,368.2. Losses were led by the Real Estate and Consumer Goods & Services indices, falling 1.0% and 0.4%, respectively. Top losers were Mannai Corporation and Qatari German Company for Medical Devices, falling 5.4% and 3.3%, respectively. Among the top gainers, Baladna gained 3.9%, while Qatar First Bank was up 3.6%.

GCC Commentary

Saudi Arabia: The TASI Index gained marginally to close at 7,459.2. Gains were led by the Health Care and Commercial Svc indices, rising 2.3% and 1.8%, respectively. Mouwasat Medical Services Co. rose 5.2%, while Wataniya Insurance was up 4.5%.

Dubai: The DFM Index gained 0.7% to close at 2,078.8. The Real Estate & Construction index rose 2.0%, while the Services index gained 1.5%. Union Properties rose 5.9%, while Ithmaar Holding was up 3.4%.

Abu Dhabi: The ADX General Index fell 0.1% to close at 4,318.0. The Investment & Financial Services index declined 2.6%, while the Telecommunication index fell 0.6%. Eshraq Investments declined 5.0%, while Invest Bank was down 4.9%.

Kuwait: The Kuwait All Share Index gained 0.7% to close at 5,004.4. The Insurance index rose 1.9%, while the Banks index gained 1.1%. Kuwait Hotels rose 20.5%, while Kuwait Insurance Company was up 10.0%.

Oman: The MSM 30 Index gained 0.3% to close at 3,568.1. Gains were led by the Financial and Services indices, rising 0.3% and 0.1%, respectively. Renaissance Services and Oman & Emirates Investment Holding Company were up 2.7% each.

Bahrain: The BHB Index gained 0.1% to close at 1,290.6. The Commercial Banks index rose 0.2%, while the other indices ended flat or in red. National Bank of Bahrain rose 0.6%, while Ahli United Bank was up 0.3%.

Market Indicators	29 Jul 20	28 Jul 20	%Chg.
Value Traded (QR mn)	417.0	412.1	1.2
Exch. Market Cap. (QR mn)	547,678.9	548,087.3	(0.1)
Volume (mn)	220.0	205.7	6.9
Number of Transactions	8,967	9,470	(5.3)
Companies Traded	45	47	(4.3)
Market Breadth	16:27	24:22	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,010.00	(0.0)	(0.0)	(6.1)	15.3
All Share Index	2,923.17	(0.2)	(0.1)	(5.7)	16.0
Banks	4,067.19	(0.2)	0.6	(3.6)	13.6
Industrials	2,612.37	(0.1)	(1.3)	(10.9)	22.8
Transportation	2,863.69	(0.1)	0.2	12.1	13.6
Real Estate	1,573.67	(1.0)	(0.9)	0.6	12.7
Insurance	2,035.82	(0.3)	(1.3)	(25.6)	32.8
Telecoms	912.06	2.2	(0.7)	1.9	15.4
Consumer	7,437.89	(0.4)	(0.8)	(14.0)	21.7
Al Rayan Islamic Index	3,759.96	(0.1)	(0.4)	(4.8)	17.5

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emaar Malls	Dubai	1.33	3.1	6,595.4	(27.3)
Gulf Bank	Kuwait	0.20	2.6	4,443.9	(35.6)
Emaar Properties	Dubai	2.62	2.3	10,883.8	(34.8)
Aldar Properties	Abu Dhabi	1.73	1.8	4,721.2	(19.9)
Mabanee Co.	Kuwait	0.61	1.3	1,195.2	(28.3)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
GFH Financial Group	Dubai	0.58	(0.9)	16,859.1	(31.5)
Emirates Telecom. Group	Abu Dhabi	16.54	(0.6)	1,170.4	1.1
Dubai Islamic Bank	Dubai	3.79	(0.5)	1,793.6	(31.2)
Ahli United Bank	Kuwait	0.25	(0.4)	42.1	(24.5)
Abu Dhabi Comm. Bank	Abu Dhabi	5.02	(0.4)	4,512.4	(36.6)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Baladna	1.72	3.9	23,560.0	72.0
Qatar First Bank	1.35	3.6	20,206.0	64.4
Ooredoo	6.70	3.3	2,527.7	(5.4)
Ahli Bank	3.30	3.1	55.0	(1.0)
Medicare Group	7.34	1.9	898.7	(13.1)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	2.37	(3.3)	32,223.3	306.9
Baladna	1.72	3.9	23,560.0	72.0
Alijarah Holding	0.91	(0.4)	20,729.1	28.5
Qatar First Bank	1.35	3.6	20,206.0	64.4
Qatar Aluminium Manufacturing	0.85	(0.9)	19,829.9	8.2

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Mannai Corporation	2.81	(5.4)	9.7	(8.8)
Qatari German Co for Med. Dev.	2.37	(3.3)	32,223.3	306.9
Al Khalij Commercial Bank	1.55	(3.1)	4.5	18.3
Dlala Brokerage & Inv. Holding Co	1.91	(3.0)	6,172.6	212.8
Salam International Inv. Ltd.	0.46	(2.4)	11,407.4	(12.0)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatari German Co for Med. Dev.	2.37	(3.3)	80,202.7	306.9
Baladna	1.72	3.9	40,228.4	72.0
Masraf Al Rayan	3.94	0.8	28,620.1	(0.6)
Qatar First Bank	1.35	3.6	27,093.7	64.4
Alijarah Holding	0.91	(0.4)	19,054.8	28.5

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*##	9,368.17	(0.0)	(0.0)	4.1	(10.1)	113.78	149,516.3	15.3	1.4	4.3
Dubai	2,078.79	0.7	1.4	1.4	(24.8)	105.83	80,341.2	7.1	0.7	4.6
Abu Dhabi	4,318.00	(0.1)	0.3	0.3	(14.9)	38.45	175,103.7	14.9	1.2	5.6
Saudi Arabia#	7,459.21	0.0	0.4	3.3	(11.1)	1,209.06	2,234,237.8	23.5	1.8	3.5
Kuwait	5,004.38	0.7	0.7	0.7	(20.3)	64.65	93,155.3	16.2	1.2	4.0
Oman##	3,568.10	0.3	0.1	1.5	(10.4)	4.55	16,088.4	10.4	0.8	6.7
Bahrain##	1,290.57	0.1	0.5	1.0	(19.8)	3.17	19,558.2	9.8	0.8	5.5

Source: Bloomberg, Qatar Stock Exchange, Tadawul, MSM and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any. #Data as of July 28, ## Data as of July 29, 2020)

Qatar Market Commentary

- The QE Index declined marginally to close at 9,368.2. The Real Estate and Consumer Goods & Services indices led the losses. The index fell on the back of selling pressure from Qatari, GCC and Foreigners shareholders despite buying support from Arab shareholders.
- Mannai Corporation and Qatari German Company for Medical Devices were the top losers, falling 5.4% and 3.3%, respectively. Among the top gainers, Baladna gained 3.9%, while Qatar First Bank was up 3.6%.
- Volume of shares traded on Wednesday rose by 6.9% to 220.0mn from 205.7mn on Tuesday. However, as compared to the 30-day moving average of 308.8mn, volume for the day was 28.8% lower. Qatari German Company for Medical Devices and Baladna were the most active stocks, contributing 14.7% and 10.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	49.25%	57.45%	(34,169,432.4)
Qatari Institutions	19.26%	12.06%	29,999,573.0
Qatari	**68.51%**	**69.51%**	**(4,169,859.4)**
GCC Individuals	1.04%	1.03%	38,026.0
GCC Institutions	0.27%	0.30%	(129,978.5)
GCC	**1.31%**	**1.34%**	**(91,952.5)**
Arab Individuals	10.99%	9.85%	4,761,414.4
Arab	**10.99%**	**9.85%**	**4,761,414.4**
Foreigners Individuals	2.93%	3.66%	(3,032,926.9)
Foreigners Institutions	16.25%	15.65%	2,533,324.4
Foreigners	**19.18%**	**19.30%**	**(499,602.4)**

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

Ratings, Earnings Releases, Global Economic Data and Earnings Calendar

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Al Dhafra Insurance Co.	AM Best	Abu Dhabi	FSR	NR	B++	–	Stable	–

Source: News reports, Bloomberg (FSR- Financial Strength Rating)

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2020	% Change YoY	Operating Profit (mn) 2Q2020	% Change YoY	Net Profit (mn) 2Q2020	% Change YoY
Orient Insurance	Dubai	AED	1,053.4	11.5%	–	–	104.5	5.0%
BH Mubasher	Dubai	AED	10.2	102.8%	–	–	3.1	N/A
Al Ramz Corp. Inv. And Dev.	Dubai	AED	2.5	-37.4%	–	–	21.5	70.2%
Dubai Investments	Dubai	AED	672.3	-7.2%		–	211.8	40.1%
Waha Capital	Abu Dhabi	AED	74.3	-5.9%	(408.1)	N/A	(481.5)	N/A
Takaful International Company#*	Bahrain	BHD	–	–	–	–	359.7	0.8%
INOVEST	Bahrain	USD	1.8	-68.6%	(1.1)	N/A	4.6	52.0%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (# – Values in Thousands, *Financial for 6M2020)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/30	US	Bureau of Economic Analysis	GDP Annualized QoQ	2Q2020	-32.90%	-34.50%	-5.00%
07/30	US	Bureau of Economic Analysis	Personal Consumption	2Q2020	-34.60%	-34.50%	-6.90%
07/30	US	Bureau of Economic Analysis	GDP Price Index	2Q2020	-1.80%	-0.10%	1.40%
07/30	US	Bloomberg	Bloomberg Consumer Comfort	26-Jul	44.3	–	44.7
08/03	US	Markit	Markit US Manufacturing PMI	Jul F	50.9	51.3	51.3
08/03	US	Institute for Supply Management	ISM Manufacturing	Jul	54.2	53.6	52.6
08/03	US	Institute for Supply Management	ISM New Orders	Jul	61.5	55.1	56.4
08/03	US	Institute for Supply Management	ISM Prices Paid	Jul	53.2	52	51.3
08/03	US	Institute for Supply Management	ISM Employment	Jul	44.3	–	42.1
07/29	UK	Bank of England	Net Consumer Credit	Jun	-0.1bn	-2.0bn	-4.5bn
07/29	UK	Bank of England	Consumer Credit YoY	Jun	-3.60%	–	-3.00%
07/29	UK	Bank of England	Mortgage Approvals	Jun	40.0k	35.0k	9.3k
07/29	UK	Bank of England	Money Supply M4 MoM	Jun	1.00%	–	2.10%
07/29	UK	Bank of England	M4 Money Supply YoY	Jun	13.10%	–	11.90%
08/03	UK	Markit	Markit UK PMI Manufacturing SA	Jul F	53.3	53.6	53.6
07/30	EU	European Commission	Economic Confidence	Jul	82.3	81.4	75.8
07/30	EU	European Commission	Industrial Confidence	Jul	-16.2	-17	-21.6
07/30	EU	European Commission	Services Confidence	Jul	-26.1	-24.5	-35.5

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/30	EU	European Commission	Consumer Confidence	Jul F	-15	–	-15
07/30	EU	Eurostat	Unemployment Rate	Jun	7.80%	7.70%	7.70%
07/31	EU	Eurostat	GDP SA QoQ	2Q2020	-12.10%	-12.10%	-3.60%
07/31	EU	Eurostat	GDP SA YoY	2Q2020	-15.00%	-14.50%	-3.10%
07/31	EU	Eurostat	CPI MoM	Jul P	-0.30%	-0.50%	0.30%
07/31	EU	Eurostat	CPI Estimate YoY	Jul	0.40%	0.20%	0.30%
07/31	EU	Eurostat	CPI Core YoY	Jul P	1.20%	0.80%	0.80%
08/03	EU	Markit	Markit Eurozone Manufacturing PMI	Jul F	51.8	51.1	51.1
08/04	EU	Eurostat	PPI MoM	Jun	0.70%	0.60%	-0.60%
08/04	EU	Eurostat	PPI YoY	Jun	-3.70%	-3.80%	-5.00%
07/30	Germany	Deutsche Bundesbank	Unemployment Change (000's)	Jul	-18.0k	41.0k	68.0k
07/30	Germany	Deutsche Bundesbank	Unemployment Claims Rate SA	Jul	6.40%	6.50%	6.40%
07/30	Germany	German Federal Statistical Office	GDP SA QoQ	2Q2020	-10.10%	-9.00%	-2.00%
07/30	Germany	German Federal Statistical Office	GDP NSA YoY	2Q2020	-11.70%	-10.70%	-1.80%
07/30	Germany	German Federal Statistical Office	GDP WDA YoY	2Q2020	-11.70%	-11.50%	-2.30%
07/30	Germany	German Federal Statistical Office	CPI MoM	Jul P	-0.50%	-0.30%	0.60%
07/30	Germany	German Federal Statistical Office	CPI YoY	Jul P	-0.10%	0.10%	0.90%
08/03	Germany	Markit	Markit/BME Germany Manufacturing PMI	Jul F	51	50	50
07/29	France	INSEE National Statistics Office	Consumer Confidence	Jul	94	99	96
07/30	France	INSEE National Statistics Office	PPI MoM	Jun	0.70%	–	0.00%
07/30	France	INSEE National Statistics Office	PPI YoY	Jun	-2.70%	–	-4.00%
07/31	France	INSEE National Statistics Office	GDP QoQ	2Q2020	-13.80%	-15.20%	-5.90%
07/31	France	INSEE National Statistics Office	GDP YoY	2Q2020	-19.00%	-20.00%	-5.70%
07/31	France	INSEE National Statistics Office	CPI MoM	Jul P	0.40%	-0.10%	0.10%
07/31	France	INSEE National Statistics Office	CPI YoY	Jul P	0.80%	0.30%	0.20%
07/31	France	INSEE National Statistics Office	Consumer Spending MoM	Jun	9.00%	6.80%	37.40%
07/31	France	INSEE National Statistics Office	Consumer Spending YoY	Jun	1.30%	-2.50%	-7.20%
08/03	France	Markit	Markit France Manufacturing PMI	Jul F	52.4	52	52
07/31	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	Jun P	2.70%	1.00%	-8.90%
07/31	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	Jun P	-17.70%	-19.30%	-26.30%
08/03	Japan	Economic and Social Research Inst.	GDP SA QoQ	1Q2020	-0.60%	-0.70%	-0.60%
08/03	Japan	Economic and Social Research Inst.	GDP Annualized SA QoQ	1Q2020	-2.20%	-2.80%	-2.20%
08/03	Japan	Economic and Social Research Inst.	GDP Nominal SA QoQ	1Q2020	-0.50%	-0.70%	-0.50%
08/03	Japan	Markit	Jibun Bank Japan PMI Mfg	Jul F	45.2	–	42.6
07/31	China	China Federation of Logistics	Composite PMI	Jul	54.1	–	54.2
07/31	China	China Federation of Logistics	Manufacturing PMI	Jul	51.1	50.8	50.9
07/31	China	China Federation of Logistics	Non-manufacturing PMI	Jul	54.2	54.5	54.4
08/03	China	Markit	Caixin China PMI Mfg	Jul	52.8	51.1	51.2

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 2Q2020 results	No. of days remaining	Status
BLDN	Baladna	5-Aug-20	0	Due
AKHI	Al Khaleej Takaful Insurance Company	5-Aug-20	0	Due
DOHI	Doha Insurance Group	9-Aug-20	4	Due
QGMD	Qatari German Company for Medical Devices	9-Aug-20	4	Due
IGRD	Investment Holding Group	10-Aug-20	5	Due
SIIS	Salam International Investment Limited	10-Aug-20	5	Due
DBIS	Dlala Brokerage & Investment Holding Company	11-Aug-20	6	Due
MCCS	Mannai Corporation	11-Aug-20	6	Due
MRDS	Mazaya Qatar Real Estate Development	12-Aug-20	7	Due
QOIS	Qatar Oman Investment Company	12-Aug-20	7	Due
QCFS	Qatar Cinema & Film Distribution Company	12-Aug-20	7	Due
MERS	Al Meera Consumer Goods Company	12-Aug-20	7	Due
GISS	Gulf International Services	12-Aug-20	7	Due
ERES	Ezdan Holding Group	13-Aug-20	8	Due
MPHC	Mesaieed Petrochemical Holding Company	13-Aug-20	8	Due

Source: QSE

News

Qatar

- **AHCS reports net loss of QR62.2mn in 2Q2020, misses our estimates –** Aamal Company (AHCS) reported net loss of QR62.2mn in 2Q2020 as compared to net profit of QR85.3mn in 2Q2019 and net profit of QR82.5mn in 1Q2020, missed our QR48.8mn net income estimate. The company's Revenue came in at QR260.0mn in 2Q2020, which represents a decrease of 17.3% YoY (-30.5% QoQ). In 1H2020, AHCS reported net profit of QR20.3mn as compared to QR181.9mn in 1H2019. EPS amounted to QR0.003 in 1H2020 as compared to QR0.03 in 1H2019. In 1H2020, AHCS' total revenue down 0.3% to QR634.0mn (1H2019: QR636.1mn). Gross profit down 31.6% to QR154.8mn (1H2019: QR226.2mn). Net Profit before fair value loss and share in results of associates and joint ventures accounted for using the equity method amounted to QR65.6mn (1H2019: QR141.2mn). Net loss before share in results of associates and joint ventures accounted for using the equity method (net underlying profit) amounted to QR8.8mn (1H2019: QR141.2mn profit). Net underlying profit margin decreased to -1.4% (1H2019: 22.2%). Share in results of associates and joint ventures accounted for using the equity method decreased 32.0% to QR28.5mn (1H2019: QR41.9mn). Net capital expenditure up 21.8% to QR25.5mn (1H2019: QR20.9mn). Gearing remains low at 3.4%. AHCS' Chairman, HE Sheikh Faisal bin Qassim Al Thani said, "To support our valued retail tenants during these hugely challenging times, Aamal approved the waiver of rents for our retail units during the second quarter of 2020. While this decision negatively impacted Aamal's financial results for the period, we believe that supporting our tenants in this way is the right thing to do. As we reported in the first quarter, companies in the Trading and Distribution segment have acted swiftly and effectively to support Qatar's communities during the pandemic, including launching services for the home delivery of medicines. As the pandemic peaked in Qatar during the second quarter, Ebn Sina Medical and Aamal Medical in particular continued to work tirelessly to ensure that customers continued to receive a reliable supply of critical medicines and medical equipment. In addition to enduring the enforced operational suspension of a number of our Managed Services and Trading and Distribution businesses, the impact of the pandemic has exacerbated the intense competition and major project postponements experienced across the Industrial Manufacturing segments in which we operate. In response to these, we have instigated a wide-ranging review of these operations that will better ensure that they perform as efficiently, as effectively and as competitively as possible going forward." (QNB FS Research, QSE, Company Press Release)
- **UDCD's net profit declines 30.1% YoY and 23.2% QoQ in 2Q2020 –** United Development Company's (UDCD) net profit declined 30.1% YoY (-23.2% QoQ) to QR37.8mn in 2Q2020.The company's Revenue came in at QR267.4mn in 2Q2020, which represents a decrease of 30.0% YoY (-9.7% QoQ). In 1H2020, UDCD posted net profit of QR86.9mn compared to QR224.6mn for the same period of the previous year. EPS amounted to QR0.025 for the period ended June 30, 2020 to QR0.063 for the same period of the previous year. In spite of the current difficult circumstances, UDCD was able to maintain residential and commercial occupancy rates on The Pearl-Qatar, while carrying out construction works safely at The Pearl-Qatar and Gewan Island and achieving development milestones according to the company's business plan. UDCD's strategy was therefore proven effective in weathering the economic repercussions of the pandemic and will ensure its sustainable growth and the creation of new opportunities and revenue sources over the long term. In this context, UDCD continued executing the construction activities in Gewan Island, following the awarding of contracts worth QR1.5bn for the island's mixed-use buildings, landscape, and infrastructure works. UDCD is with a mission to identify and invest in long-term projects contributing to Qatar's growth and providing shareholder value. It has an authorized share capital of QR3.5bn and total assets of QR18.4bn as of June 30, 2020. (QSE, Gulf-Times.com)
- **QIMD to hold Investors Relation conference call on August 6 –** Qatar Industrial Manufacturing Company (QIMD) will hold the conference call with the Investors to discuss the financial results for 2Q2020 on August 6, 2020 at 9:30 am, Doha Time. (QSE)
- **Ooredoo Qatar's 5G commercial services go live with Nokia network –** Nokia has announced that Ooredoo Qatar has launched a Nokia-powered cloud-native core network for commercial 5G services, allowing the operator to provide superior mobile broadband services to its roughly two million subscribers in Qatar. The new core network facilitates automation improved network efficiency and streamlined network management. The transformation of the core network also enables Ooredoo Qatar to bring new and exciting use cases such as Industrial IOT (IIoT), Voice over Broadband (VoBB), Voice over WiFi (VoWiFi) to its subscribers. Furthermore, Nokia's equipment and professional services will help Ooredoo Qatar to scale its network more efficiently with automated operations and enhanced robustness. (Qatar Tribune)
- **Doha Bank CEO: Worst of virus, oil-shock impact is over –** Doha Bank said the worst of the shock from the coronavirus pandemic and a slump in oil prices has already been reflected on the Qatari lender's balance sheet. "We look forward to reset the button as and when the world reaches normalcy," Doha Bank's CEO, Raghavan Seetharaman said in an interview on Bloomberg TV. The CEO also said, "We have reasons to believe we will get support from the central bank if needed because the lender has enough tools in its armory, including sovereign securities, to back a request. The firm's dividend forecast is in line with the projections of what we submitted. We are going to be conservative and cautious in terms of risk measurements." (Bloomberg)
- **Qatar Airways seeks two IAG board seats after backing British Airways owner's capital hike –** Qatar Airways has proposed two directors for the board of British Airways owner IAG, seeking to strengthen its position after backing the group's planned 2.75bn Euro ($3.27bn) cash call. Qatar Airways has been building a stake in IAG since 2015 and now holds 25.1% of the company. IAG announced plans for the capital increase on Friday as it seeks to shore up its finances after the COVID-19 pandemic

effectively brought the entire airline sector to a halt. It said that Qatar would back the move and subscribe for its pro rata entitlement. The Gulf carrier will also propose two directors to join the board as non-executive directors, within Qatar's proportionate representation rights under Spanish law, IAG added. (Reuters)

- **PSA: Qatar's GDP rises 0.9% to QR167.33bn in 1Q2020 –** Qatar's GDP at constant prices increased 0.9% to QR167.33bn in 1Q2020 when compared to the revised estimate of GDP in the first quarter of 2019, according to the Planning and Statistics Authority (PSA). When compared to the revised estimate of QR169.64bn in 4Q2019, a decrease of 1.4% has been recorded. The PSA, which released the preliminary estimates of GDP at both constant and current prices, said that GDP at current prices in the first quarter of 2020 is estimated at QR153.77bn. This represents a decrease of 5.5% compared to the revised estimate of QR 162.71bn in 1Q2019. When compared to the revised estimate of QR159.65bn in the previous quarter, a decrease of 3.7% has been recorded. The nominal GVA estimate of mining and quarrying activities decreased 15.5% to QR51.84bn in 1Q2020 over the revised estimate of QR61.37bn in 1Q2019. Compared to the revised estimate of the previous quarter, a decrease of 5.4% in the GVA of this sector has been recorded. (Qatar Tribune)
- **Qatar's June M2 money supply rises 7% YoY and 2.5% MoM –** Qatar Central bank has published data on monetary aggregates for June on website. The M2 money supply rose 7% YoY and 2.5% MoM. M1 money supply rose 14.1% YoY; however, it declined 2.5% MoM. International reserves and foreign currency liquidity rose to QR203.3bn from QR203bn in May. Further, Qatar's population has increased from 2.64mn in June 2019 to 2.79mn at end of June 2020, according to the Planning and Statistics Authority monthly report. (Qatar Tribune, Bloomberg)
- **S&P Global Platts: Qatar's LNG performance in 1H2020 remarkable amid price decline, pandemic –** Qatar has had a remarkable run in the first half of this year despite the decline of spot gas and LNG prices and the impact of COVID-19, an expert has said. At the 43rd Monthly Gas Lecture series of the Gas Exporting Countries Forum (GECF) Dexter Wang, Manager, Asia Pacific (APAC) Market Engagement at S&P Global Platts, said, "What's interesting is that we have already seen Australia and the US see their first year-on-year drop in LNG exports this year, which means that these countries are relatively exposed to spot prices and have to react to the current low price in the LNG market. On the contrary, Qatar managed to increase its LNG exports for the majority of the first half of this year, which is truly remarkable, considering the current low price environment." Wang focused on the key themes of LNG supply and demand during COVID-19, changes in LNG contractual norms, and the dynamics of benchmark gas and LNG prices, with a special emphasis on Asia Pacific region. Qatar, the world's largest exporter of LNG, has a historical partnership with APAC as a reliable LNG supplier to the region. "Qatar has minimal spot price exposure and the majority of Qatar's LNG exports is linked to crude oil price or some other prices that is not directly affected by LNG price," he said. (Gulf-Times.com)
- **Societe Generale: Qatar's GDP estimated to rise and top $200bn in 2021 –** Qatar's GDP is estimated to top $200bn in 2021, up from an estimated $195.2bn this year, an economic update by French multinational investment bank Societe Generale has showed. Although the country's GDP growth (on constant prices) may be in the negative territory this year, it is estimated to rebound to 5% in 2021, the update said. Qatar's GDP per capita has been estimated to rise from $70,737 this year to $72,554 in 2021, Societe Generale said. Qatar's general government gross debt (as a percentage of GDP) has been estimated to fall to 43.1 in 2021 from 47.9 this year. Societe Generale estimates an inflation of 2.4% in 2021 from an estimated -1.2% in Qatar this year. Citing updated International Monetary Fund forecasts (April 2020), the French multinational investment bank said due to the outbreak of the COVID-19, GDP growth is expected to fall to -4.3% in 2020 and pick up to 5% in 2021, subject to the "post-pandemic global economic recovery, conclusion of an expected boom in the services sector ahead of the FIFA World Cup 2022." It said, "Qatar's economy started to grow faster after the first quarter of 2019 as government spending rose, particularly with regards to wages in the public sector. This helped boost the economy later in the year, which had showed signs of a slowdown as most major infrastructure and construction projects in relation to the World Cup came to completion. "Nonetheless, general government debt was also estimated to have grown to 53.2% of GDP in 2019, from 48.6% a year earlier, as the country continued to borrow in international markets." The IMF anticipates a debt reduction in the coming years, 48% in 2020 and 43.1% in 2021. Current account surplus narrowed to 2.4% of GDP in 2019 from 8.7% a year earlier as global energy prices fell. (Gulf-Times.com)
- **Lloyds Bank: Barzan project, North Field expansion to boost Qatar's growth –** The expected commissioning of Barzan natural gas facility could support domestic gas production and contribute positively to Qatar's growth, Lloyds Bank has said in an overview. In the medium term, the expansion of North Field gas projects is expected to be completed by 2024, further boosting gas output, it said. Qatar has been implementing an economic diversification program to lower its dependency on the hydrocarbon sector, and in December 2018 the country announced it would leave OPEC in January 2019 to focus its efforts on natural gas. New projects are planned in infrastructure and telecommunications, and various construction projects are in progress in preparation for the World Cup in 2022. Inflation was estimated to have fallen to -0.6% last year from 0.2% in 2018, Lloyds Bank said. (Gulf-Times.com)
- **Hamad Port set for arrival of dozen mobile gantry cranes from China later this month –** The Hamad Port will see the arrival of a dozen mobile gantry cranes from China later this month, as part of efforts to operationalize the container terminal 2 (CT2) by 4Q2020. The 12 RTGs (rubber-tired gantry) cranes, which are used in intermodal operations to ground or stack containers, have been loaded from Haixi Heavy-duty Machinery Company (HHMC) facilities in Qingdao and are currently on the voyage. HHMC is a large state-owned entity belonging to the China Shipbuilding Industry Corporation, dedicating in designing and manufacturing hoisting and port cargo handling machineries. "The RTGs are destined for the new CT2 development at Hamad

Port and are expected to arrive on August 22," according to a tweet of Mwani Qatar, the terminal operating company jointly established by Mwani Qatar (51%) and Milaha (49%). The 403,500 square meters CT2 at the Hamad Port is slated to be operational by the end of 4Q2020. The works on CT2 had begun in December last year as part of Qatar's expansion strategy in its maritime sector. The CT2, with berth length of 1,200 meters and a 17 meter draft alongside, will have annual capacity of 2mn TEUs (twenty-foot equivalent units). (Gulf-Times.com)

International

- **IMF says coronavirus may shrink global imbalances further in 2020 –** The International Monetary Fund said on Tuesday that global current account imbalances narrowed in 2019 as trade slowed, and the coronavirus could narrow them further in 2020, but some commodity exporters and tourism-dependent countries will swing to current account deficits. The IMF's External Sector Report on currencies and imbalances for the world's 30 largest economies showed that net current account balances fell by 0.2 percentage point to 2.9% of global GDP. The Fund projected a further narrowing by 0.3% of global GDP in 2020, partly due to massive fiscal and monetary stimulus by many countries and continued pressure on trade. "Major commodity exporters should see their current accounts going from significant surpluses to significant deficits," IMF chief economist Gita Gopinath said in a webcast presentation of the report. The IMF projected that Saudi Arabia, which had a 5.9% current account surplus in 2019, will see a deficit of 4.9% in 2018 due to the collapse of oil prices and demand. Tourism-dependent Thailand and Malaysia will see their surpluses shrink dramatically in 2020, the report showed. The fund said the US dollar's current account position in 2019, a deficit of 2.3% of GDP, was moderately weaker than warranted by economic fundamentals and would likely narrow to 2.0% in 2020. But it estimated that the dollar's real effective exchange rate was overvalued by around 11% in 2019. China's current account surplus of 1.0% in 2019, projected to grow to 1.3% in 2020, was broadly in line with economic fundamentals, the IMF said in the report. It estimated that China's yuan was undervalued by around 2% in 2019, largely due to trade tensions with the US, but said the assessment was "subject to especially high uncertainty." China's real effective exchange rate had appreciated by 1.8% from the 2019 average through May 2020, the report showed. (Reuters)
- **US consumer spending presses ahead; declining income poses challenge –** US consumer spending increased for a second straight month in June, setting up consumption for a rebound in the third quarter, though the recovery could be limited by a resurgence in COVID-19 cases and the end of expanded unemployment benefits. Concerns about sky-rocketing coronavirus infections and the expiring jobless benefits hurt consumer sentiment in July, other data showed on Friday. Robust consumer spending is critical to reviving the economy after it suffered its biggest blow since the Great Depression in the second quarter. Consumer spending, which accounts for more than two-thirds of US economic activity, rose 5.6% last month after a record 8.5% jump in May as more businesses reopened, the Commerce Department said. Consumers boosted purchases of clothing and footwear. They also spent more on healthcare, dining out and on hotel and motel accommodation, though outlays on services remained lackluster because of caution sparked by the virus. Economists polled by Reuters had forecast consumer spending would advance 5.5% in June. When adjusted for inflation, consumer spending rose 5.2% after surging 8.4% in May. The data was included in Thursday's advance gross domestic product report for the second quarter, which showed the economy shrinking at a record 32.9% annualized rate, the steepest decline since the government started keeping records in 1947. Consumer spending tanked at a historic 34.6%. With June's increase, consumer spending has pulled out of April's deep hole, but remains 6.9% below its pre-pandemic level. This puts spending on a higher growth trajectory heading into the July-September quarter. (Reuters)
- **US companies leap over low profit hurdle in coronavirus-hit quarter –** A record high percentage of US companies are beating analysts' forecasts this earnings season, giving investors a glimmer of hope in what is still expected to be the slowest profit period since the financial crisis. More than halfway through second-quarter earnings, 82.1% of companies reporting have surpassed profit expectations, which would be the highest in the history of Refinitiv IBES data going back to 1994. What's more, the size of the beats is well above what is typical. S&P 500 companies have beaten earnings expectations by a whopping 21.7%, also set to be the highest on record since 1994, based on Refinitiv's data as of Friday. The latest big boost to numbers came late last week, when results from Facebook and trillion-dollar market value companies Apple, Amazon.com and Google parent Alphabet surpassed forecasts. In many cases, estimates had been lowered so much ahead of earnings season that they were easier to beat, strategists said. Still, the results bolster the case for investors betting that the impact of coronavirus-led lockdowns and layoffs on companies' bottom lines may not be quite as dire as previously believed. (Reuters)
- **US manufacturing activity near 1-1/2-year high, factory job losses persist –** US manufacturing activity accelerated to its highest level in nearly 1-1/2 years in July as orders increased despite a resurgence in new COVID-19 infections, which is raising fears about the sustainability of a budding economic recovery. Still, the road to recovery for manufacturing likely remains long and bumpy, with the survey from the Institute for Supply Management (ISM) on Monday also showing hiring at factories remaining subdued for a year now. About 72% of industries reported growth last month. The ISM said its index of national factory activity raced to a reading of 54.2 last month from 52.6 in June. That was the strongest since March 2019 and marked two straight months of expansion. A reading above 50 indicates growth in manufacturing, which accounts for 11% of the US economy. Economists polled by Reuters had forecast the index would rise to 53.6 in July. The ISM said "sentiment was generally optimistic" among manufacturers. The continued improvement in manufacturing despite skyrocketing coronavirus cases, especially in the densely populated South and West regions where authorities in hard-hit areas are closing businesses again and pausing reopenings, is encouraging. High-frequency data such as weekly applications for unemployment benefits has suggested the economic recovery that started in May with the reopening of businesses was faltering. Claims for jobless benefits have risen for two straight weeks. A staggering

30.2mn Americans were receiving unemployment checks in early July. (Reuters)

- **Fitch revises US outlook to negative; affirms AAA rating –** Fitch Ratings revised the outlook on the US triple-A rating to negative from stable on Friday, citing eroding credit strength, including a growing deficit to finance stimulus to combat fallout from the coronavirus pandemic. The credit rating agency also said the future direction of US fiscal policy depends in part on the November election for president and the resulting makeup of Congress, cautioning there is a risk policy gridlock could continue. Debt and deficits, which were already rising before the pandemic, have started to erode the country's traditional credit strengths, Fitch said in a report. It added that US government debt, the highest among any AAA-rated sovereign nations heading into the crisis, was expected to exceed 130% of GDP by 2021. Mike Englund, chief economist at Action Economics, predicted markets would react negatively to the move. The outlook revision to negative covers a longer time frame, meaning the US does not face a potential rating downgrade anytime soon. That leaves the country with top ratings from two credit agencies— Fitch and Moody's Investors Service, which affirmed an Aaa rating with a stable outlook in June. (Reuters)
- **Microsoft weighs TikTok purchase as ad business flattens out –** Microsoft Corp could re-energize its advertising business with a huge supply of video if it follows through on acquiring TikTok's US operations from ByteDance. Reuters reported on Friday, citing a source familiar with the matter, that Microsoft is in exploratory deal talks as the US government prepares to force China-based ByteDance to divest its video app TikTok over data security concerns. Microsoft generates the bulk of its $143bn in annual revenue by licensing software such as Windows and Office as well as cloud storage and computing tools through its Azure service. The company, with advertising supported businesses including its Bing search engine, MSN news service and LinkedIn business social network, disclosed this month that its search ads sales grew 1% to $7.7bn over the last year. But that growth was flat when excluding fees it pays to partner websites and apps. The ad market research company eMarketer has estimated LinkedIn's ad revenue at about $2bn annually in the US alone. But Microsoft also said this month LinkedIn ads sales have fallen this year as the novel coronavirus pandemic prompted advertisers to pare spending. (Reuters)
- **Trump vows TikTok ban if no US sale deal reached by September 15 –** US President Donald Trump said Monday he does not oppose Microsoft Corp acquiring the US operations of TikTok and said he will ban the service in the US on September 15 without a sale. The comments came after Trump Friday he said he was planning to ban the Chinese-owned video app's US operations after dismissing a possible sale to Microsoft. Trump's comments confirmed a Reuters report Sunday that he had agreed to give China's ByteDance 45 days to negotiate a sale of popular short-video app TikTok to Microsoft. Trump also said the US Treasury would need to get a lot of money out of a TikTok deal, but it not clear how that would happen. Microsoft said Sunday that CEO Satya Nadella had spoken to Trump and "is prepared to continue discussions to explore a purchase of TikTok in the US." (Reuters)
- **US auto sales pandemic recovery continues as Toyota decline slows –** US new vehicle sales in July continued to show signs of recovery from the COVID-19 pandemic, as Toyota Motor Corp on Monday posted its lowest sales decline since the virus outbreak slammed the sector in mid-March. The Japanese automaker said its sales in July fell 19% versus the same month in 2019, to 169,484 units. That was Toyota's best month since before the pandemic shuttered North American production for two months and led to closed showrooms across numerous states in the US. The rebound in US auto sales since hitting a bottom in April has seen major automakers scramble to ramp up production and boost weak inventories at dealerships, especially in states where they remained open throughout the shutdowns. The rebound in sales, though, could be threatened by surging cases in southern and southwestern US states, which have increased uncertainty over the US economic recovery. (Reuters)
- **PMI: UK factory output grows at fastest rate since 2017 –** British manufacturing output grew at its fastest pace in nearly three years in July as factories reopened and demand began to pick up after the coronavirus lockdown was eased, a closely watched business survey showed on Monday. The IHS Markit/CIPS manufacturing Purchasing Managers' Index (PMI) rose to 53.3 in July from June's 50.1, broadly in line with an earlier flash estimate of 53.6 and the highest since March 2019. The PMI's output component - which survey compilers IHS Markit say currently gives a clearer sense of the sector's health - rose to its highest since November 2017 at 59.3. Orders grew for the first time in five months and optimism rose by the most in two years. However, the index levels represent the pace of growth rather than the amount of output, and the sector has a long way to get back to where it was before the lockdown. "Despite the solid start to the recovery, the road left to travel remains long and precarious. An extended period of growth is still needed to fully recoup the ground lost in recent months," IHS Markit director Rob Dobson said. Official data showed British manufacturing output collapsed by 28% over March and April, before rising 8% in May. Car production in the first half of 2020 was the lowest since 1954 and 40% below its level in the same period of 2019, according to industry data released last week. Britain's future trading relationship with the European Union is also a worry for many businesses that rely on pan-European supply chains, as an 11-month tariff-free transition period ends this year, with no sign yet of a replacement deal. (Reuters)
- **Nationwide: UK house prices jump in July –** British house prices jumped in July, erasing around half the losses that were recorded during May and June due to COVID-19, figures from mortgage lender Nationwide showed on Friday. House prices rose by 1.7% in July, well above gains forecast by economists in a Reuters poll, after dropping 1.6% in June and 1.7% in May, and are now 1.5% higher than a year ago. (Reuters)
- **UK COVID lending to businesses tops 50bn Pounds –** Banks' lending to businesses under a government-backed COVID-19 loan scheme has exceeded 50bn Pounds ($65bn), while the cost of supporting furloughed workers has increased to 33.8bn

Pounds, weekly finance ministry figures showed. Lending across the government's three main programs for small, medium and large businesses rose to a total 50.69bn Pounds as of August 2, up from 49.43bn pounds the week before. The Coronavirus Job Retention Scheme, which has supported 9.6mn jobs and is the costliest single government COVID relief measure, has risen to 33.8bn Pounds from 31.7bn Pounds a week earlier. (Reuters)

- **PMI: Eurozone factory activity bounced back to growth in July –** Manufacturing activity across the Eurozone expanded for the first time since early 2019 last month as demand rebounded after more easing of the restrictions imposed to quell the spread of the new coronavirus, a survey showed on Monday. Just over 18mn people have been infected by the coronavirus. But governments around Europe have eased some restrictions that had shuttered vast swathes of the bloc's economy. To offer support to the ravaged economy, the European Central Bank has ramped up its stimulus measures and European Union leaders have agreed on a 750bn Euro recovery fund. Still, the economy contracted a record 12.1% last quarter, official data showed on Friday, although a July Reuters poll predicted 8.1% growth this quarter. Factories appear to be playing their part in the recovery. IHS Markit's final Manufacturing Purchasing Managers' Index bounced to 51.8 in July from June's 47.4 - its first time above the 50 mark that separates growth from contraction since January 2019. An initial "flash" release had it at 51.1. An index measuring output which feeds into a composite PMI due on Wednesday leapt to 55.3 from 48.9, its highest since April 2018. (Reuters)
- **Eurozone inflation unexpectedly ticks up amid record GDP slump –** The Eurozone's economy recorded its deepest contraction on record in the second quarter, preliminary estimates showed on Friday, while the bloc's inflation unexpectedly ticked up in July. In the months from April to June, gross domestic product in the 19-country currency bloc shrank by 12.1% from the previous quarter, the European Union's statistics office Eurostat said in its flash estimates. The deepest GDP fall since the time series started in 1995 coincided with coronavirus lockdowns which many Eurozone countries began to ease only from May. The contraction was slightly more pronounced than market expectations of a 12.0% fall, and followed the 3.6% GDP drop recorded in the first quarter of the year. Among the countries for which data were available, Spain posted the worst output slump, with its economy shrinking by 18.5% quarter-on-quarter, worse than expected and wiping out all the post-financial crisis recovery of the last six years. GDP in Italy and France also fell sharply but less than forecast, respectively by 12.4% and 13.8%. Germany, the largest economy in the bloc, saw a 10.1% contraction in the second quarter, worse than expectations of a 9.0% slump. Inflation continued instead its upward trend, defying expectations of a slowdown, supporting the European Central Bank's expectation that a negative headline reading may be avoided. Eurostat said consumer prices in the bloc rose 0.4% on an annual basis in July from 0.3% in June and 0.1% in May. Economists polled by Reuters had forecast a 0.2% increase in July. (Reuters)
- **Ifo: Germany's car industry shows initial signs of recovery –** Germany's car industry has seen demand picking up after coronavirus-related restrictions were eased and auto industry exports are expected to rise, a survey published by the Ifo economic institute on Tuesday showed. Business expectations, demand and order books all improved last month, Ifo said, but it cautioned that the survey's indicator for the current business situation was still negative in July. Volkswagen and Daimler have said customers have returned to showrooms after corona lockdowns eased, resulting in a gradual rebound in demand in Europe and China. (Reuters)
- **Spain dives into deep recession, tourism woes bode ill for rebound –** The coronavirus crisis has pulverized Spain's economy, triggering its worst recession since the civil war, with collapsed tourism numbers boding ill for hopes of a swift rebound. Hit by one of Europe's worst outbreaks and strictest lockdowns, the economy came to a virtual halt in March and remained paralyzed until the end of June. It shrank 18.5% in the second quarter, a drop so harsh it wiped out all the recovery achieved since the 2008 global financial crisis, figures from the National Statistics Institute showed on Friday. The government had counted on tourists from northern Europe and further afield driving a third quarter recovery, but quarantines and travel advisories have dashed hopes as Spain battles with new localized outbreaks of the COVID-19 disease. (Reuters)
- **Japan first-quarter GDP unchanged at 2.2% annualized contraction after 2nd revision –** Japan's economy shrank an annualized 2.2% in January-March, unchanged after a second revision, data from the Cabinet Office showed on Monday. The additional revision for gross domestic product (GDP) compared with economists' median forecast for a 2.8% contraction in a Reuters poll. On a QoQ basis GDP shrank 0.6%, also unchanged from the second preliminary reading and compared with a median forecast for a 0.7% fall. The government published additional revisions to GDP for the January-March quarter reflecting revised capital spending data from the finance ministry, which had initially drawn fewer respondents than usual due to coronavirus-related disruptions. (Reuters)
- **Japan short of rescue plans for regional lenders hit by pandemic –** The coronavirus pandemic is deepening the pain for Japan's regional lenders, heightening concerns that a potential wave of business closures will test policymakers' ability to avert a damaging banking-sector crisis. Many central government and bank officials see the risk of a crisis emerging in the next few months, when more struggling firms could go under and hit regional banks already weakened by a shrinking domestic economy and years of ultra-low interest rates. Yet officials still have few plans besides prodding the ailing lenders to recapitalize or consolidate - and little clue on how to do this in an orderly fashion, say five government and banking sources with direct knowledge of the matter. (Reuters)
- **China's factories accelerate recovery in July as demand perks up –** China's factories stepped up activity in July for a fifth straight month as improving prospects for electrical and pharmaceutical goods helped sustain a broader recovery from earlier coronavirus shutdowns. The world's second-largest economy has largely shaken off the strict lockdowns that led to weeks of business paralysis earlier this year, although it is now battling the most aggressive return of the novel coronavirus in months, driven by infections in the country's west and

northeast. The government's manufacturing Purchasing Manager's Index (PMI), released on Friday, unexpectedly rose to 51.1 in July from June's 50.9. That was the highest reading since March and dashed analyst expectations for a fall to 50.7. The 50-point mark separates growth from contraction on a monthly basis. The PMI echoed upbeat readings from other major Asian export nations, with factory production in South Korea jumping at the fastest rate in more than 11 years, and Japan's output snapping four months of decline. However, analysts caution the recovery could stall amid the resurgence in global infections and as China's factories deal with disruptions from continuing floods. (Reuters)

- **Caixin PMI: China's services sector expands at slower pace in July –** Growth in China's services sector slowed in July from a decade high the previous month, as new export business fell and job losses continued, an industry survey showed on Wednesday, pointing to cracks in the sector's post-COVID recovery. The Caixin/Markit services Purchasing Managers' Index (PMI) fell to 54.1 from June's 58.4, which was the highest reading since April 2010. The 50-mark separates growth from contraction on a monthly basis. The services sector, which accounts for about 60% of the economy and half of the urban jobs, had been slower to recover initially than large manufacturers, but the recovery has gathered pace in recent months as the nationwide COVID-19 restrictions on public gatherings gradually lifted. However, pressures remain. Heavy job losses, pay cuts and now fresh COVID-19 outbreaks in the country's west and northeast regions have made some consumers cautious about spending and going out again. The Caixin survey showed new export businesses received by Chinese services firms contracted again in July after a brief expansion, weighing on the growth of overall new business, which was predominately driven by domestic markets. Firms continued to shed jobs for the sixth straight month, albeit at a slower rate, as they sought to boost profits at a time of rising costs and falling prices. (Reuters)
- **India's factory activity contracted at a sharper pace in July –** India's factory slump deepened in July as renewed lockdown measures to contain surging coronavirus cases weighed on demand and output, raising the chances of a sharper economic contraction, a private business survey showed on Monday. Asia's third-largest economy, which has the third-highest coronavirus caseload globally, is expected to shrink at its sharpest pace since 1979 this fiscal year, a Reuters poll found last week. Reinforcing that grim outlook, the Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, fell to 46.0 last month from 47.2 in June, below the 50-level separating growth from expansion for a fourth straight month and marking its longest spell of contraction since March 2009. A further decline in new orders and output signaled weakness in overall demand despite factories again cutting their prices, leading firms to reduce their workforces for a fourth month in a row. A persistent decline in both input and output prices raises the chance that overall inflation would ease, after spiking above the upper bound of the Reserve Bank of India's medium-term target of 2-6% in June. That might give the RBI more room to ease policy further, after having cut its repo rate by 115 basis points (bps) since March to mitigate the economic impact of the pandemic. (Reuters)

Regional

- **OPEC July oil output surges as Gulf voluntary cuts end –** OPEC oil output has risen by over 1mn bpd in July as Saudi Arabia and other Gulf members ended their voluntary extra supply curbs on top of an OPEC-led deal, and other members made limited progress on compliance. The 13-member OPEC pumped 23.32mn bpd on average in June, the survey found, up 970,000 bpd from June's revised figure, which was the lowest since 1991. OPEC and allies agreed in April to a record output cut as the coronavirus crisis hammered demand. An easing of lockdowns and lower supply have helped oil LCOc1 climb above $40 from April's 21-year low of below $16 a barrel, although concerns of a second wave are keeping a lid on gains. "Upside potential will continue to be in short supply so long as the COVID hangover lingers," Oil Broker PVM's Stephen Brennock said. OPEC, Russia and other producers, a group known as OPEC+, agreed to cuts of 9.7mn bpd, or 10% of global output, from May 1. OPEC's share, to be made by 10 members from October 2018 levels in the case of most countries, is 6.084mn bpd. In July, they delivered 5.743 million bpd of the pledged reduction, equal to 94% compliance, the survey found. Compliance in June was revised up to 111%. (Reuters)
- **OPEC raised supply last month as Gulf nations ended extra cuts –** OPEC's crude production rose last month as Persian Gulf members phased out extra supply cutbacks, but the cartel largely persevered with its strategy to revive the global oil industry. Saudi Arabia, the UAE and Kuwait restored the additional output taken offline in June, when they had amplified efforts to disperse an oil glut left behind during the coronavirus crisis. The OPEC increased output by 900,000 bpd to 23.43mn a day, according to a Bloomberg survey. It is based on information from officials, ship-tracking data and estimates from consultants including Rystad Energy AS, Petro-Logistics, Rapidan Energy Group and JBC Energy GmbH. OPEC and its partners are continuing to restrain output in accordance with their pact to limit production to tackle the steepest collapse in demand ever seen. Their labor has helped almost triple crude prices from the two-decade low in late April, lifting Brent futures in London to about $43 a barrel. As oil consumption recovers with the restart of economic activity worldwide, the coalition of producers is poised to open the taps even further this month. The group will return 1.3mn to 1.5mn bpd to the market this month, according to Saudi Arabia. Still, there are concerns as many countries struggle to contain the epidemic and some are being forced to reinstate lockdown measures. Saudi Arabia, OPEC's biggest producer and de facto leader, is moving with caution. While it boosted output by 920,000 bpd last month, the average remained below the limit it's allowed to pump under the agreement, at 8.45mn a day. (Bloomberg)
- **Kpler: OPEC shipments rose 567,000 b/d through July –** OPEC seaborne exports rose 567,000 bpd MoM through July, market intelligence company Kpler said in a report. Departures "remained subdued" at 17.8m bpd, according to Kpler note. UAE led export gains with a 414,000 bpd increase; Saudi Arabia rose by 169,000 bpd and Kuwait 163,000 bpd. (Bloomberg)
- **Saudi Arabia may cut September crude oil prices to Asia –** Top oil exporter Saudi Arabia may cut its September official selling price (OSP) for crude sold in Asia, tracking falling Middle East

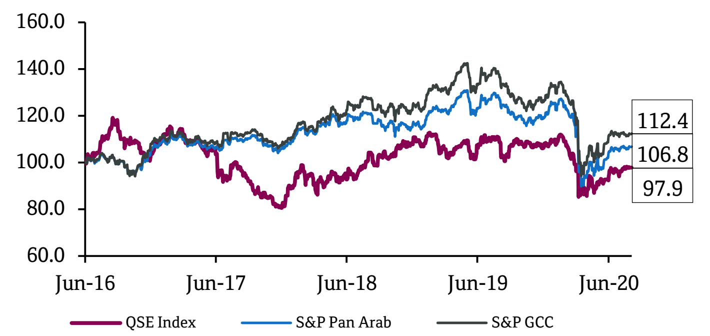
benchmarks and weak refining margins, according to industry sources. Five sources from Asian refineries on average expect the September OSP for flagship Arab Light crude to fall by $0.61 a barrel, though forecasts range from a cut of $1 to $0.20-$0.30, a Reuters survey showed. Slow demand recovery amid the second wave of COVID-19 infections has depressed spot prices for Middle Eastern crude this month, while Asia's refining margins remained weak, they said. Although the monthly average of cash Dubai's premium to swaps dipped by only 6 cents so far this month, DME Oman and cash Dubai this week turned to discounts to swaps for the first time since May, data compiled by Reuters showed. (Reuters)

- **Saudi Aramco delays official selling prices for crude to next week –** Saudi Aramco will delay the release of its September official selling prices (OSPs) for crude until early next week, sources said. Saudi Aramco typically issues its official selling prices (OSPs) by the 5th of each month, setting the trend for Iranian, Kuwaiti and Iraqi prices and affecting more than 12mn bpd of oil bound for Asia. (Reuters)
- **UAE consumer confidence lowest in Gulf; jobs, finances among top concerns –** Consumer confidence in the UAE has fallen to its lowest level since the 2009 global recession, owing to declining sentiments towards personal finances, as well as employment and economic prospects, according to a new survey. The country's consumer confidence index, which tracks how people feel about the economy, among other categories, fell to 92 points in the second quarter of this year, the lowest since the last quarter of 2009. "Consumers in the United Arab Emirates are among the least optimistic in the region. The UAE consumer confidence index fell below the 100 optimistic mark," the Conference Board Gulf Center for Economics and Business Research said in a new report. (Zawya)
- **Dubai 1H2020 FDI estimated at AED12bn –** Dubai Crown Prince and Chairman of The Executive Council of Dubai, HH Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum said FDI has continued to flow into Dubai in 1H2020, with the number of announced FDI projects reaching 190, worth an estimated capital of AED12bn. The announced FDI projects included key sectors such as technology, e-commerce, and pharmaceutical industries, according to 'Dubai FDI Monitor' data released by Dubai Investment Development Agency (Dubai FDI), an agency of Dubai Economy. (Bloomberg)
- **Emirates REIT hires Houlihan Lokey for strategic review –** Emirates REIT, a Dubai-based Shari'ah-compliant real estate investment trust, said on Monday it had appointed Houlihan Lokey to advise its board on the strategic review of the fund. As part the review, all directors and employees of its manager Equitativa and Emirates REIT will be permitted to buy shares of the company, it said in a bourse filing. The statement came few weeks after the company said it was considering de-listing from Nasdaq Dubai amid a downturn in the UAE's real estate sector and weak equity market conditions. (Zawya)
- **UAE'S Etihad Rail signs agreement with CRRC to triple wagon fleet –** The UAE's Etihad Rail, the developer and operator of the Gulf country's rail network, has signed an agreement with China's CRRC to triple its fleet of wagons to more than 1,000, the Abu Dhabi Media Office said. The UAE plans to have a rail network with 1,200 km (750 miles) of track, costing about $11bn, running from the border with Saudi Arabia to Fujairah on the Gulf of Oman. "This will increase the transport capacity of the UAE's rail network by 8 times to 59mn tons of goods annually," the Abu Dhabi Media Office said of the CRRC deal on Tuesday. Etihad Rail is 70% owned by the Abu Dhabi government and 30% by the UAE federal government. (Zawya)
- **First Abu Dhabi Bank sells $465.49mn in Chinese yuan 5-year Formosa bonds –** First Abu Dhabi Bank, the UAE's biggest lender, has sold $465.49mn in five-year dual-listed Formosa bonds at 3.4%, it said. The deal follows a 1.4bn Chinese Yuan Formosa issuance in June. "The deal exceeded our expectations in terms of size and reflects Asian investors' strong faith in FAB's credit fundamentals and Abu Dhabi's economic strength," FAB's Head of group funding, Rula Al Qadi said. (Zawya)
- **Brazil's Petrobras forges ahead with downstream, midstream divestments –** Brazilian state-run oil firm Petroleo Brasileiro expects to conclude negotiations on the sale of its RLAM refinery in northeastern Brazil in the near future and is pushing ahead with the IPO of a gas pipeline unit, executives said. Speaking to analysts following the release of the company's second-quarter results, Chief Executive, Roberto Castello Branco said the firm expects to seal a sale agreement for the refining unit within the next "one to two months." Abu Dhabi's investment fund Mubadala Investment Co is in exclusive negotiations with Petrobras, as the Brazilian company is commonly known, after presenting the highest bid for the asset in June. (Reuters)
- **Waha Capital to launch Islamic fund in second-half –** Waha Capital to launch Islamic fund in the second-half. Investment program in US stocks will continue in 2H2020 and comprise minority holdings in health care, technology, telcos, company said. The program will eventually cover regional market. (Bloomberg)
- **RAK Bank to close 25% of its branches next month –** The National Bank of Ras Al Khaimah (RAK Bank) will shut down nine branches from next month as demand for digital banking grows among the UAE residents. The lender will close six branches in Dubai and one each in Sharjah, Khor Fakkan and Abu Dhabi from September 3, 2020. In Dubai, branches in Al Ras, Mirdiff, Marina Diamond, Al Quoz Industrial, Dubai Investment Park and Jebel Ali Free Zone will be closed, while Sharjah's industrial area and Abu Dhabi's Al Jazeera branches will also be shut, it said. Operating 36 branches across the country, the closure of nine branches will reduce the lender's network by 25%. (Zawya)
- **Kuwait pension fund posts record 1Q2020 investment profit –** Kuwait's Public Institution for Social Security posted a record first-quarter investment profit following a reboot of its strategy, reports Bloomberg. The fund, which owns 25% of US private equity firm Stone Point Capital, had an investment profit of $7.3bn in the three months through June, it said in a statement. That compares with about $4.4bn for the fiscal year through March 2019, when it last released data. A new management team was brought into the fund in 2017 to transform the state-owned institution. The performance is "undoubtedly a turning point" for the institution, which is "reaping the fruits" of its new investment strategy, Deputy

General Manager for investments and operations, Raed al-Nisf said. (Gulf-Times.com)

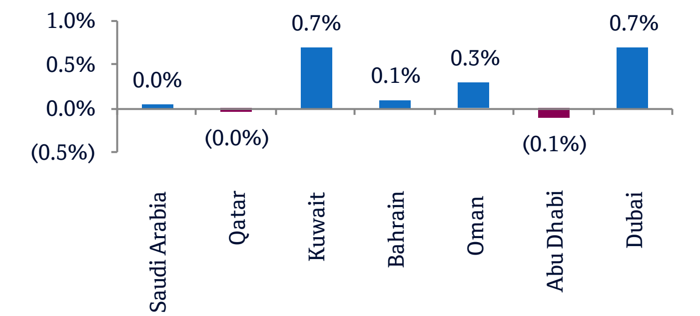
- **Kuwait's $112bn pension fund has cash to burn after revamp –** Kuwait's $112bn pension fund plans to boost investments in private equity and infrastructure following an overhaul that left it sitting on too much cash. A new management team was brought in during 2017 to transform the state-owned institution after a corruption scandal involving a previous manager. The fund has since exited more than $20bn in questionable deals in a "major clean-up" of its portfolio, according to Deputy General Manager for investments and operations, Raed Al-Nisf. "It's no longer a one-man show, and will never be again," he said. "In the past, it was a sleeping giant, and no one wanted to wake it." The revamp is paying off. (Bloomberg)
- **Kuwait's Alafco cuts Boeing orderbook as it ends legal claim –** Orderbook with plane-maker reduced to 20 from 40 and delivery dates have been revised, Kuwait's Alafco said. It has discontinued legal claim; says it cannot provide additional details due to confidentiality. The financial impact would be lower total off-balance sheet capital commitments and reclassification of some balances. (Bloomberg)
- **Kuwait sells KD240mn 91-day bills; bid-cover at 11.35x –** Kuwait sold KD240mn of 91-day bills due on November 3, 2020. Investors offered to buy 11.35 times the amount of securities sold. The bills have a yield of 1.25% and settled on August 4, 2020. (Bloomberg)
- **Fitch rates KIB Sukuk Limited's Trust Certificate Issuance Program –** Fitch Ratings has assigned Kuwait International Bank (KIB) up to $2bn trust certificate issuance program, housed under KIB Sukuk Limited (KSL), expected 'A+(EXP)'/'F1(EXP)' ratings. The expected ratings are in line with KIB's Long- and Short-Term Foreign-Currency Issuer Default Ratings (IDRs) of 'A+' and 'F1', respectively, and apply only to senior unsecured certificates issued under the program. The assignment of final ratings is contingent upon receipt of final documents conforming to information already received by Fitch. KSL, the issuer and trustee, is a special purpose vehicle (SPV), incorporated in the Cayman Islands. KSL has been set up solely to issue certificates (Sukuk) under the program and will participate in the transactions contemplated by the transaction documents. (Bloomberg)
- **NBB's net profit falls 27.3% YoY to BHD29.1mn in 1H2020 –** National Bank of Bahrain (NBB) recorded net profit of BHD29.1mn in 1H2020, registering decrease of 27.3% YoY. Net interest income rose 22.7% YoY to BHD58.9mn in 1H2020. Total operating income rose 16.8% YoY to BHD74.5mn in 1H2020. Total assets stood at BHD4.5bn at the end of June 30, 2020 as compared to BHD3.2bn at the end of June 30, 2019. Loans and advances stood at BHD2.1bn (+76% YoY), while customers' deposits stood at BHD3.2bn (+49.3% YoY) at the end of June 30, 2020. EPS came in at 17 fils in 1H2020 as compared to 24 fils in 1H2019. (Bahrain Bourse)
- **Khaleeji Commercial Bank issues $159mln Sukuk –** Khaleeji Commercial Bank has successfully issued Sukuk worth $159mn, subject to approvals from regulatory authorities and the extraordinary general meeting (EGM). Shareholders supported the bank to issue Additional Tier 1 (AT1) Capital Sukuk of up to $200mn in a bid to support the lender's capital base, according to a bourse filing on Monday. This move will significantly strengthen the lender's financial position and empower it to enter into new strategic partnerships and promising projects that will establish a foundation to achieve growth by reducing financing costs, enhancing the capital adequacy, and investing in the development of the bank's electronic channels and the quality of services provided to customers. (Zawya)
- **Bahrain's GFH Financial subsidiary finalizes $159mln Sukuk issuance –** GFH Financial Group, a Bahrain-based investment bank, announced that its subsidiary Khaleeji Commercial Bank has finalized the issuance of Sukuk worth $159mn. "The successful closing of the AT1 will strengthen the financial position of the Group's subsidiary which will invest in enhancing its e-banking channels, and compete with its peers for a bigger market share," GFH said in a statement on Dubai Financial Market (DFM). "This will have a positive impact on the Group's financial position and profitability reflected by the growth of its subsidiary," the statement added. GFH is listed on Bahrain Bourse, Kuwait Stock Exchange and Dubai Financial Market (DFM). (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg (#Data as of July 28, 2020, ##Data as of July 29, 2020)

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	2,019.21	2.1	2.2	33.1
Silver/Ounce	26.01	7.0	6.6	45.7
Crude Oil (Brent)/Barrel (FM Future)	44.43	0.6	2.6	(32.7)
Crude Oil (WTI)/Barrel (FM Future)	41.70	1.7	3.6	(31.7)
Natural Gas (Henry Hub)/MMBtu	1.80	0.0	0.0	(13.3)
LPG Propane (Arab Gulf)/Ton	50.25	0.0	(0.5)	21.8
LPG Butane (Arab Gulf)/Ton	50.00	0.0	3.6	(23.7)
Euro	1.18	0.3	0.2	5.3
Yen	105.72	(0.2)	(0.1)	(2.7)
GBP	1.31	(0.0)	(0.1)	(1.4)
CHF	1.10	0.5	0.0	6.0
AUD	0.72	0.5	0.2	2.0
USD Index	93.38	(0.2)	0.0	(3.1)
RUB	73.54	0.6	(1.1)	18.6
BRL	0.19	0.6	(1.3)	(24.0)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,336.82	0.5	1.4	(0.9)
DJ Industrial	26,828.47	0.6	1.5	(6.0)
S&P 500	3,306.51	0.4	1.1	2.3
NASDAQ 100	10,941.17	0.4	1.8	21.9
STOXX 600	363.39	0.2	1.9	(8.3)
DAX	12,600.87	(0.1)	2.2	(0.1)
FTSE 100	6,036.00	0.1	2.1	(21.2)
CAC 40	4,889.52	0.5	2.1	(14.2)
Nikkei	22,573.66	2.0	4.1	(1.7)
MSCI EM	1,089.58	1.1	1.0	(2.3)
SHANGHAI SE Composite	3,371.69	0.2	1.9	10.4
HANG SENG	24,946.63	2.0	1.4	(11.1)
BSE SENSEX	37,687.91	2.2	0.0	(13.3)
Bovespa	101,215.90	(1.6)	(3.9)	(34.0)
RTS	1,260.16	0.2	2.1	(18.6)

Source: Bloomberg (*$ adjusted returns)

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