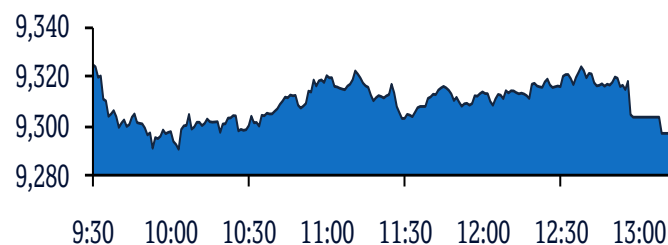


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.4% to close at 9,297.8. Losses were led by the Transportation and Industrials indices, falling 0.9% each. Top losers were Qatari Investors Group and Gulf International Services, falling 3.0% and 2.8%, respectively. Among the top gainers, Qatar Cinema & Film Distribution Company and Qatari German Company for Medical Devices were up 10.0% each.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.3% to close at 7,412.2. Losses were led by Software & Serv. and Diversified Fin. indices, falling 1.4% and 1.3%, respectively. Arabian Centres Co. declined 4.1%, while Ash-Sharqiyah Dev. was down 3.9%.

Dubai: The DFM Index fell 0.9% to close at 2,067.7. The Real Estate & Construction index declined 1.8%, while the Investment & Financial Services index fell 1.0%. Dubai Refreshments Co. and DAMAC Properties Dubai Co. were down 5.0% each.

Abu Dhabi: The ADX General Index fell 0.2% to close at 4,307.0. The Real Estate index declined 1.2%, while the Consumer Staples index fell 0.6%. Bank of Sharjah declined 4.4%, while National Bank of Ras Al-Khaimah was down 4.0%.

Kuwait: The Kuwait All Share Index gained 0.4% to close at 5,176.9. The Banks index rose 0.6%, while the Basic Materials index gained 0.5%. Future Kid Entertainment rose 17.2%, while Wethaq Takaful Insurance Co. was up 9.2%.

Oman: The MSM 30 Index fell 0.2% to close at 3,497.6. Losses were led by the Financial and Industrial indices, falling 0.3% and 0.1%, respectively. Al Omaniya Financial Services declined 6.7%, while Dhofar Generating Co. was down 3.1%.

Bahrain: The BHB Index gained 0.1% to close at 1,315.2. The Services and Commercial Banks indices rose 0.2% each. APM Terminals Bahrain rose 2.8%, while Ahli United Bank was up 1.1%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	3.08	10.0	26.0	40.0
Qatari German Co for Med. Devices	1.64	10.0	6,590.9	182.3
Baladna	1.76	9.1	32,594.1	76.3
Imma Holding	3.92	5.3	7,441.5	106.3
Vodafone Qatar	1.21	3.0	10,532.2	4.5

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Baladna	1.76	9.1	32,594.1	76.3
United Development Company	1.19	(1.3)	18,863.6	(21.6)
Ezdan Holding Group	1.30	(1.0)	17,173.1	111.4
Barwa Real Estate Company	3.31	1.8	16,984.4	(6.4)
Dlala Brokerage & Inv. Holding Co.	1.51	0.0	16,724.3	146.6

Market Indicators	13 Jul 20	12 Jul 20	%Chg.
Value Traded (QR mn)	568.8	395.8	43.7
Exch. Market Cap. (QR mn)	543,273.3	545,355.1	(0.4)
Volume (mn)	248.8	250.4	(0.6)
Number of Transactions	9,264	7,901	17.3
Companies Traded	46	46	0.0
Market Breadth	18:25	23:19	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	17,874.71	(0.4)	(0.2)	(6.8)	14.8
All Share Index	2,905.26	(0.5)	(0.2)	(6.3)	15.8
Banks	4,026.07	(0.5)	(0.4)	(4.6)	13.7
Industrials	2,621.07	(0.9)	(0.5)	(10.6)	20.9
Transportation	2,877.92	(0.9)	0.9	12.6	13.9
Real Estate	1,595.95	0.2	0.3	2.0	15.8
Insurance	1,966.96	0.1	(0.2)	(28.1)	32.8
Telecoms	905.12	0.7	1.0	1.1	15.2
Consumer	7,392.65	0.1	0.5	(14.5)	18.9
Al Rayan Islamic Index	3,737.71	(0.4)	0.1	(5.4)	17.2

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Sembcorp Salalah Power.	Oman	0.11	1.8	437.7	(17.0)
Barwa Real Estate Co.	Qatar	3.31	1.8	16,984.4	(6.4)
Jabal Omar Dev. Co.	Saudi Arabia	24.50	1.7	3,411.0	(9.8)
Banque Saudi Fransi	Saudi Arabia	30.15	1.7	538.7	(20.4)
Saudi Arabian Fertilizer	Saudi Arabia	78.20	1.2	87.3	0.9

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Arabian Centres Co. Ltd	Saudi Arabia	23.60	(4.1)	4,212.5	(19.0)
Saudi Industrial Inv.	Saudi Arabia	18.80	(3.4)	1,496.0	(21.7)
Emaar Properties	Dubai	2.66	(2.2)	15,578.5	(33.8)
Advanced Petrochem. Co.	Saudi Arabia	51.00	(2.1)	704.7	3.2
Mabane Co.	Kuwait	0.64	(1.5)	1,028.9	(24.6)

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatari Investors Group	2.13	(3.0)	2,696.8	18.7
Gulf International Services	1.61	(2.8)	4,645.2	(6.2)
Qatar National Cement Company	3.62	(2.8)	1,318.1	(36.0)
Medicare Group	6.90	(1.8)	989.0	(18.3)
Alijarah Holding	0.84	(1.8)	7,254.3	19.1

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.12	(0.4)	122,855.2	(12.0)
Baladna	1.76	9.1	56,966.8	76.3
Barwa Real Estate Company	3.31	1.8	56,311.8	(6.4)
Imma Holding	3.92	5.3	28,760.0	106.3
Dlala Brokerage & Inv. Holding Co	1.51	0.0	25,371.1	146.6

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,297.80	(0.4)	(0.2)	3.3	(10.8)	155.38	148,367.9	14.8	1.4	4.3
Dubai	2,067.74	(0.9)	(0.7)	0.1	(25.2)	43.10	80,086.7	6.2	0.7	4.7
Abu Dhabi	4,307.01	(0.2)	0.3	0.5	(15.1)	17.58	162,917.7	14.2	1.3	5.9
Saudi Arabia	7,412.21	(0.3)	(0.1)	2.6	(11.6)	1,581.33	2,247,266.0	22.3	1.8	3.5
Kuwait	5,176.86	0.4	0.9	0.9	(17.6)	134.40	95,573.8	15.0	1.2	3.8
Oman	3,497.56	(0.2)	0.1	(0.5)	(12.1)	3.59	15,976.7	10.0	0.8	6.8
Bahrain	1,315.18	0.1	2.2	2.9	(18.3)	7.57	19,952.1	9.8	0.8	5.4

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

Qatar Market Commentary

- The QE Index declined 0.4% to close at 9,297.8. The Transportation and Industrials indices led the losses. The index fell on the back of selling pressure from GCC and Foreigners shareholders despite buying support from Qatari and Arab shareholders.
- Qatari Investors Group and Gulf International Services were the top losers, falling 3.0% and 2.8%, respectively. Among the top gainers, Qatar Cinema & Film Distribution Company and Qatari German Company for Medical Devices were up 10.0% each.
- Volume of shares traded on Monday fell by 0.6% to 248.8mn from 250.4mn on Sunday. Further, as compared to the 30-day moving average of 258.8mn, volume for the day was 3.9% lower. Baladna and United Development Company were the most active stocks, contributing 13.1% and 7.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	48.08%	48.16%	(480,172.2)
Qatari Institutions	29.96%	28.73%	7,006,088.9
Qatari	78.04%	76.89%	6,525,916.7
GCC Individuals	1.07%	0.67%	2,292,027.5
GCC Institutions	0.54%	1.53%	(5,583,063.8)
GCC	1.62%	2.20%	(3,291,036.3)
Arab Individuals	9.54%	9.22%	1,818,907.7
Arab	9.54%	9.22%	1,818,907.7
Foreigners Individuals	2.44%	2.10%	1,955,998.7
Foreigners Institutions	8.38%	9.61%	(7,009,786.9)
Foreigners	10.82%	11.70%	(5,053,788.1)

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2020	% Change YoY	Operating Profit (mn) 2Q2020	% Change YoY	Net Profit (mn) 2Q2020	% Change YoY
Al Omaniya Financial Services	Oman	OMR	8.5	-2.3%	-	-	0.6	-68.6%
The Financial Corporation Co.###	Oman	OMR	197.1	20.8%	-	-	(745.3)	N/A
Al Kamil Power Co.###	Oman	OMR	3.2	-15.6%	1.2	-0.9%	1.0	-56.4%
Voltamp Energy	Oman	OMR	17.6	-6.9%	-	-	0.1	-33.3%
Sohar Power Co.**	Oman	OMR	14.3	-56.1%	-	-	0.9	231.9%
Oman Qatar Insurance**	Oman	OMR	13.9	-22.8%	-	-	0.2	-67.4%
Dhofar Generating Co.**	Oman	OMR	21.4	3.9%	-	-	1.4	27.9%
Oman Refreshment Co.**	Oman	OMR	27.3	-20.1%	-	-	2.2	-50.2%
Al Suwadi Power**	Oman	OMR	36.9	-3.3%	-	-	5.4	5.2%
Al Oula Co.###	Oman	OMR	87.6	6.9%	-	-	(5.2)	N/A
Oman Chromite Co.###	Oman	OMR	593.1	-45.8%	-	-	160.6	6.9%
Financial Services Co.###	Oman	OMR	105.9	-45.6%	-	-	(100.7)	N/A
Sembcorp Salalah Power & Water**	Oman	OMR	36.3	-2.2%	-	-	10.5	30.0%
Dhofar Cattle Feed Co.**	Oman	OMR	17.6	-1.5%	(0.5)	N/A	(0.3)	N/A
Omani Euro Foods Industries	Oman	OMR	0.7	-10.1%	-	-	(0.1)	N/A
Al Jazeera Services**	Oman	OMR	4.2	17.7%	0.4	-4.7%	0.7	-19.7%
Gulf Mushroom Products Co.###	Oman	OMR	2,887.4	-26.9%	-	-	40.3	-85.8%
Al Batinah Power**	Oman	OMR	22.7	-18.2%	-	-	5.2	8.7%
Al Anwar Holding**	Oman	OMR	0.7	-22.6%	-	-	0.2	-16.5%
Al Maha Ceramics**	Oman	OMR	4.3	10.6%	-	-	0.7	26.9%
Gulf Investment Services**	Oman	OMR	(1.1)	N/A	-	-	(1.9)	N/A
Renaissance Services**	Oman	OMR	54.8	7.3%	7.7	45.0%	5.3	169.2%
Salalah Port Services**	Oman	OMR	43.1	29.5%	-	-	11.1	410.7%
Gulf Hotels Co. Ltd###	Oman	OMR	1,907.4	-56.6%	-	-	(345.2)	N/A
Zain Bahrain	Bahrain	BHD	15.0	0.1%	1.1	-15.9%	0.8	-4.3%

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
07/13	India	India Central Statistical Organisation	CPI YoY	Jun	6.09%	5.30%	-

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
QFLS	Qatar Fuel Company	15-Jul-20	1	Due
QIBK	Qatar Islamic Bank	15-Jul-20	1	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	15-Jul-20	1	Due
IHGS	Islamic Holding Group	19-Jul-20	5	Due
QEWS	Qatar Electricity & Water Company	19-Jul-20	5	Due
ABQK	Ahli Bank	20-Jul-20	6	Due
GWCS	Gulf Warehousing Company	21-Jul-20	7	Due
QIGD	Qatari Investors Group	21-Jul-20	7	Due
QNCD	Qatar National Cement Company	22-Jul-20	8	Due
QIIK	Qatar International Islamic Bank	22-Jul-20	8	Due
KCBK	Al Khalij Commercial Bank	23-Jul-20	9	Due
CBQK	The Commercial Bank	23-Jul-20	9	Due
QAMC	Qatar Aluminum Manufacturing Company	23-Jul-20	9	Due
WDAM	Widam Food Company	23-Jul-20	9	Due
NLCS	Aljarah Holding	23-Jul-20	9	Due
QATI	Qatar Insurance Company	26-Jul-20	12	Due
QFBQ	Qatar First Bank	27-Jul-20	13	Due
BRES	Barwa Real Estate Company	27-Jul-20	13	Due
QIMD	Qatar Industrial Manufacturing Company	27-Jul-20	13	Due
IQCD	Industries Qatar	27-Jul-20	13	Due
DHBK	Doha Bank	27-Jul-20	13	Due
QNNS	Qatar Navigation (Milaha)	28-Jul-20	14	Due
QGRI	Qatar General Insurance & Reinsurance Company	28-Jul-20	14	Due
VFQS	Vodafone Qatar	28-Jul-20	14	Due
MCGS	Medicare Group	28-Jul-20	14	Due
QISI	Qatar Islamic Insurance Group	28-Jul-20	14	Due
ORDS	Ooredoo	28-Jul-20	14	Due
AHCS	Aamal Company	29-Jul-20	15	Due
UDCD	United Development Company	29-Jul-20	15	Due
MERS	Al Meera Consumer Goods Company	12-Aug-20	29	Due
GISS	Gulf International Services	12-Aug-20	29	Due
MPHC	Mesaieed Petrochemical Holding Company	13-Aug-20	30	Due

Source: QSE

News

Qatar

- MARK posts 0.5% YoY increase but 1.9% QoQ decline in net profit in 2Q2020, in-line with our estimate** – Masraf Al Rayan's (MARK) net profit rose 0.5% YoY (but declined 1.9% on QoQ basis) to QR536.5mn in 2Q2020, in-line with our estimate of QR517.4mn (variation of +3.7%). Total net income from financing and investing activities decreased 0.8% YoY and 2.5% QoQ in 2Q2020 to QR1,142.8mn. The company's Total Income came in at QR1,246.9mn in 2Q2020, which represents a decrease of 3.2% YoY (-5.0% QoQ). EPS amounted to QR0.072 in 2Q2020 as compared to QR0.071 in 2Q2019. The bank's Total Assets stood at QR109.3bn at the end of June 30, 2020, up 6.6% YoY (+0.3% QoQ). Financing Assets were QR78.1bn, registering a rise of 4.4% YoY at the end of June 30, 2020. However, on QoQ basis Financing Assets decreased 1.5%. Customer Current Accounts rose 15.5% YoY and 5.8% QoQ to reach QR8.4bn at the end of June 30, 2020. Investments reached QR21,470mn compared to QR20,496mn as of June 30, 2019, an increase of 4.8%. Customer deposits increased to QR67,417mn compared to QR64,412mn as

of June 30, 2019, an increase of 4.7%. Shareholders' equity reached QR13,294mn compared to QR12,859mn as of June 30, 2019, an increase of 3.4%. In 1H2020, MARK announced a net profit of QR1,084mn, an increase of 0.50% compared to the same period last year. Financial Indicators: Return on average assets continues to be one of the highest in the market at 2.01%. Return on average shareholders' equity of the bank reached 15.93%. Book value per share before distribution reached QR1.77 compared to QR1.71 as of June 30, 2019. Capital adequacy ratio, using Basel-III standards, reached 19.70% compared to 19.45% as of June 30, 2019. Operational Efficiency ratio (cost to income ratio) stood at 22.65% and continued as one of the best in the region. Non-performing financing (NPF) ratio of 0.94% is the lowest in the banking sector reflecting very strong and prudent credit and risk management policies and procedures. Commenting on the results, HE Ali Bin Ahmad Al Kuwari, Chairman and Managing Director, said, "The year 2020 is considered an extraordinary year. It has witnessed several crises from early on at the economic and health levels: low oil prices

has impacted the global markets, then came the COVID-19 pandemic and the resulting quarantine that placed huge restraints on individuals and economic activities in its entirety and blocking movement among countries, and low consumer spending, which affected many productive and non-productive economic activities and had negatively impacted the financial and business markets.” Al Kuwari, also touched upon the joint press release issued on June 30, 2020 by MARK and Al Khaliji Commercial Bank (KCBK), wherein the two banks expressed their intent to enter into preliminary negotiations on a possible merger to establish a larger and stronger financial institution. He asserted that the potential merger would be regarded as a solid financial entity with higher liquidity, with total assets exceeding QR164bn. The new entity will have total equity of more than QR19bn, and expected to contribute positively to the economic development in the State of Qatar through financing development initiatives in line with Qatar's 2030 vision. (QNB FS Research, QSE, Press Release)

- **QNNs to disclose 2Q2020 financials on July 28** – Qatar Navigation (QNNs) will disclose the financial reports for the period ending June 30, 2020 on July 28, 2020. (QSE)
- **QGRI to disclose 2Q2020 financials on July 28** – Qatar General Insurance & Reinsurance Company (QGRI) will disclose the financial reports for the period ending June 30, 2020 on July 28, 2020. (QSE)
- **BRES announces the negotiation of two housing projects in Al-Wakra** – Barwa Real Estate Group (BRES) has announced that the necessary procedures are being completed for contracting to start the implementation of two new projects in Al-Wakra. It is planned that one of the two projects will be allocated as an integrated housing complex for workers and the other as an integrated residential city for low-income families. The two projects, that BRES will develop, come within the Group's initiatives to achieve Qatar's National Vision 2030 in terms of improving the living conditions of all groups in society. (QSE)
- **QFBQ appoints Abdulrahman Totonji as acting CEO** – Qatar First Bank (QFBQ) has appointed Abdulrahman Totonji as a new Acting CEO (ACEO). Abdulrahman Totonji is a distinguished talent in business, economics, and investments. He has extensive experience in managing local and international real estate investments, which enables him to lead QFBQ during this critical moment of its history. He spent around six years managing a billion-Qatar Riyal Qatari investment portfolio. Additionally, he gained experience over a period of six years investing in the US real estate market. (QSE)

International

- **S&P slashes emerging market forecasts, warns of permanent scars** – The rating agency S&P Global cut its emerging market growth forecasts on Monday, predicting a 4.7% slump on average this year due to the coronavirus, and warned that all countries would be left with permanent scars. The firm said the downward GDP revisions mostly reflected the fact that the pandemic was worsening in many emerging markets and set to cause a larger hit to foreign trade than foreseen in April, when S&P predicted a 1.8% contraction. “We project the average EM GDP (excluding China) to decline by 4.7% this year and to grow 5.9% in 2021. Risks remain mostly on the downside and tied to pandemic developments,” S&P said in a report. All emerging

economies would suffer lasting contractions from the pandemic. It said the gap relative to the pre-coronavirus GDP path could be as large as 11% of output in India, 6%-7% in most of Latin America and South Africa, 3%-4% in most of Emerging Europe, and 2% in Malaysia and Indonesia. Out of a total of nearly 1,800 negative ratings actions - either downgrades or rating ‘outlook’ cuts - taken by S&P between January and June, 420 were in emerging markets. Latin America's forecasts saw the biggest cut. The region is now expected to suffer a 7.4% GDP slump this year, including a 7% drop in its largest economy, Brazil. The region has seen nearly 70% of its credit ratings hit by the virus, and is also expected to produce one of the weakest recoveries next year. In Asia, India's economy is seen contracting 5% this fiscal year, starting April 1, due to difficulties in containing the virus, an anemic policy response and underlying vulnerabilities, especially across the financial sector. China, in contrast, is still expected to grow a modest 1.2% this year and a robust 7% next, helped by strong stimulus spending, resilience in electronics manufacturing, and a gradual recovery in service industries. (Reuters)

- **New York Fed survey: US consumers more secure about jobs but earnings expectations drop** – US consumers are more optimistic that the worst of the economic crisis sparked by the coronavirus pandemic is behind them, but are still concerned about their earnings and their ability to find new jobs if they become unemployed, according to a survey released on Monday by the New York Federal Reserve. Workers became less concerned about becoming jobless, with consumers saying there was an average 15% chance that they would lose their jobs in the next year. That is the lowest since February, when consumers registered a 13.8% chance of losing their jobs over the next 12 months. Consumers also expressed more confidence in their ability to pay their bills. The probability of missing a debt payment in the next three months dropped to an average 9.8% in June, the lowest since the survey launched in 2013 and down substantially from 16.2% in April. The shift mirrors one in the labor market. The US unemployment rate surged to 14.7% in April as businesses shut down to limit the spread of the virus. As some businesses hired workers back, the jobless rate declined to 11.1% in June. However, more than 32.9mn people collected unemployment checks in the third week of June, suggesting the labor market is years away from a full recovery. (Reuters)
- **US Treasury: G7 finance ministers called for full implementation of G20 debt freeze** – Group of Seven (G7) finance ministers on Monday called for full implementation of a G20 freeze in debt service payments by all official bilateral creditors and adherence to debt data transparency standards, a U.S. Treasury spokesperson said in a statement. In a teleconference held early Monday, the G7 ministers also discussed domestic and international economic responses to the coronavirus pandemic and strategies to achieve a robust global recovery, a Treasury statement said. In addressing the G20 Debt Service Suspension Initiative offered to the world's 73 poorest countries through the end of the year, the ministers discussed the need for China, a G20 member and major creditor, to participate fully and transparently, a senior administration official said. “It's key, both to realizing the full potential of the DSSI and from a transparency perspective,” the official said. G20 finance ministers are to discuss the debt moratorium during a

teleconference on Saturday amid growing calls for an extension, given a deeper downturn in the global economy that will hit heavily indebted countries particularly hard. The International Chamber of Commerce, the International Trade Union Confederation and a major civil society group on Monday urged G20 members to extend and expand a freeze in debt service payments. (Reuters)

- **BoE's Bailey sees economy improving, but 'very worried' about jobs** – Bank of England (BoE) Governor Andrew Bailey said on Monday he thought that Britain's economy was starting to recover but had a long way to go, with the outlook for jobs a particular worry. "We are seeing the economy come back now somewhat, because obviously the restrictions are beginning to be lifted," Bailey told school pupils during an online talk hosted by Speakers for Schools. "But there's a long way to go, we are very worried about jobs, as are a lot of people." (Reuters)
- **UK trade fair industry warns 30,000 jobs at risk as events yet to resume** – Around 30,000 jobs in Britain's events industry are at risk due to increased uncertainty about when trade fairs and exhibitions could resume in the UK, an industry body representing event organizers, venues and suppliers warned on Monday. The Events Industry Alliance (EIA) said companies would need at least eight to twelve weeks to restart exhibitions, calling on the government to set a date for reopening. The coronavirus outbreak and the ensuing lockdown led to widespread cancellations and postponement of events to later this year or until 2021, while the threat of a second wave of COVID-19 cases triggered further uncertainty about reopening plans worldwide. The world's biggest exhibitions organizer Informa, which is based in London, held its first major event in Shanghai this month. A spokesman for Informa said the company has seen countries, which make up the majority of its business, such as Germany, France, China, parts of the US and Australia open for commercial gatherings. (Reuters)
- **UK consumer spending recovers a little more in June** – A release of pent-up demand after the coronavirus lockdown spurred a rebound in retail sales last month, although overall consumer spending remains far below normal levels, surveys showed on Tuesday. The British Retail Consortium trade body said retail sales values rose by 3.4% in annual terms in June, the biggest increase since May 2018, although the reading was flattered by the comparison with unusually weak sales in June 2019. The turnaround is especially sharp when compared with a 19.1% fall in spending recorded in April, when lockdown restrictions were greatest. Food, computing and furniture sales were bright spots last month but although clothing and health and beauty sales remained weak. Separately, payment card company Barclaycard said overall consumer spending fell 14.5% in annual terms in June - the smallest decline since lockdown began. The surveys added to tentative signs of an economic recovery, although many economists are cautious about its longevity beyond the rebound caused by household spending on goods and services that had been postponed during lockdown. (Reuters)
- **Britain set to ban Huawei from 5G, though timescale unclear** – Prime Minister Boris Johnson is set to ban Huawei from Britain's 5G network in a landmark decision that will anger Beijing but win plaudits from President Donald Trump as the United States grapples with China's rising economic and technological clout.

The US has pushed Johnson to reverse his January decision to grant Huawei a limited role in 5G, while London has been dismayed by a crackdown in Hong Kong and by the perception that China did not tell the whole truth over coronavirus. Britain's National Security Council (NSC), chaired by Johnson, will meet on Tuesday to discuss Huawei. Media Secretary Oliver Dowden will announce a decision to the House of Commons later in the day. The opposition Labor Party said his statement would be after 1130 GMT. The government has not provided a time. The immediate excuse for the about turn in policy is the impact of new US sanctions on chip technology, which London says affects Huawei's ability to remain a reliable supplier. (Reuters)

- **Central bankers say now is the time to get ready for end of Libor** – Top central bankers in the US and Britain said the end-2021 deadline for dropping the Libor benchmark interest rate would not be extended because of the COVID crisis and lenders and borrowers had to have their transition plans in place now. Bank of England Governor Andrew Bailey acknowledged there had been calls since the coronavirus pandemic escalated to step back from the shift away from Libor which is used to price trillions of dollars of financial contracts. "But in my view, what we saw in financial markets in March in response to the shock of COVID only reinforces the importance of removing the financial system's dependence on Libor in a timely way," he said on Monday. Bailey was speaking in an online discussion alongside John Williams, the head of the Federal Reserve Bank of New York, who also said the COVID crisis would not lead to an extension of the 2021 deadline. During the financial crisis of 2007-09, some traders manipulated the rate, leading to criminal convictions and huge fines for international banks. Last week, the Financial Stability Board, a global body for regulators, warned of a "significant negative impact" if authorities do not prepare for the end of Libor because many existing contracts are due to mature after 2021. Bailey said anyone borrowing past the end of 2021 had to consider the greater certainty offered by alternative benchmarks and anyone continuing to use Libor had to consider how the contract would change before the end of next year. Britain's Financial Conduct Authority in April extended the cut-off date for ending the use of Libor for new loans until the end of March next year due to the coronavirus pandemic. Any solution for existing "legacy" contracts would not be available for new business, Bailey said. (Reuters)
- **Italy PM warns against excessive conditionality in EU economic help** – Italian Prime Minister Giuseppe Conte warned on Monday that European Union (EU) economic stimulus for member states should not carry too much conditionality. Speaking at a news conference with German Chancellor Angela Merkel, Conte said Italy was happy for EU institutions to monitor its economic reforms but imposing excessively stringent conditions would be counter-productive. "It's not in anybody's interests to introduce conditionality that would compromise the support of the program or give it scarce practical impact," Conte said. (Reuters)
- **ECB calls on Croatia, Bulgaria to do more before joining Euro** – Bulgaria and Croatia still have work to do in fixing their economies and improving their institutions before joining the euro, European Central Bank (ECB) board member Fabio Panetta said on Monday. The reforms undertaken by the two will not fix all the imbalances and vulnerabilities they are facing, and more

progress is needed to improve governance, their legal framework, and the overall quality of institutions, Panetta said in speech. The two nations were admitted to the ERM-2 mechanism on Friday, a waiting room to enter the euro, and could join the currency union as soon as 2023. (Reuters)

- **Premier: China's economy recovering but hard battle ahead** – China's economy is showing steady recovery, but a hard battle still lies ahead as the situation remains severe both at home and abroad, state radio quoted Premier Li Keqiang as saying on Monday. The government would continue to adopt a proactive fiscal policy and prudent monetary policy, Li was quoted as saying, pledging to cut taxes and ramp up credit support for firms. The world's second-largest economy is gradually emerging from a 6.8% economic decline in the first quarter, its first contraction on record. Li said the economy was recovering gradually and had returned to growth. "We should strengthen our confidence in development," state radio quoted him as saying. "But the situation at home and abroad is still grim, and we should prepare to continue to fight a hard war." The government has also rolled out a raft of measures, including more fiscal spending, tax relief and cuts in lending rates and reserve requirements, to revive the virus-hit economy and support employment. The government is due to release second-quarter gross domestic product data on Thursday. (Reuters)
- **India's June retail inflation picks up after easing of lockdown** – India's retail inflation picked up in June, pushed by price increases for some food and fuel items, but economists said the central bank could still ease rates because of concerns about economic slowdown caused by lockdown. Annual retail inflation rose to 6.09% in June, compared to 5.84% in March, and 5.30% forecast in a Reuters poll of economists. June's inflation remained above the mid-point of the Reserve Bank of India's 2-6% target range, the Ministry of Statistics data showed on Monday. The government had suspended the release of CPI inflation headline numbers for April and May due to insufficient data during the lockdown period. Annual food inflation eased to 7.87% in June from a downwardly revised 9.20% in May, the data showed, and is expected to slow down in coming months amid good rainfall in many parts of the country. The International Monetary Fund has predicted Asia's third largest economy could contract 4.5% in the current financial year beginning in April, from an earlier forecast of 1.9% growth. (Reuters)

Regional

- **IMF cuts growth forecasts for the Middle East** – Economies in the Middle East and North Africa (MENA) are expected to contract further this year than initially estimated, according to the IMF. In its updated economic outlook, the fund forecast a contraction of 5.7% in the region this year, more than two percentage points lower than its estimate of 3.3% in April. The dual shock of a sharp decline in crude prices and persisting uncertainty regarding the length of the coronavirus pandemic have clouded prospects for an economic rebound. "Countries should facilitate recovery by easing the reallocation of workers and resources, as needed, while resuming gradual fiscal adjustment and rebuilding policy buffers," according to the regional economic outlook update for the Middle East and Central Asia released on Monday. Growth in the region's oil exporters is now seen shrinking 7.3% in 2020, versus a 1.1% contraction for importers, as fluctuations

in oil prices and pandemic-linked lockdowns have a more dire impact on their balance sheets. Oil export receipts are now projected to decline by more than \$270bn, the IMF said. Activities including tourism, transportation and retail are also being hit hard by the lockdowns designed to curb the pandemic, it said. For oil importers, benefits of a lower crude environment are offset by hampered trade, tourism, remittances and tighter global financial conditions. Nations around the world have halted their economies to contain the spread of the pandemic, while injecting stimulus directly and indirectly. In the Persian Gulf, countries cut expenditures, reduced government workers' salaries and facilitated lending. Still, these do not qualify as austerity measures, the IMF's Director for the Middle East and Central Asia, Jihad Azour said. "Some countries which have less buffers need to reallocate resources within the same envelope, but I wouldn't say yet that we are in an austerity mode," Azour said in an interview. (Bloomberg, Peninsula Qatar)

- **OPEC chief sees oil market moving closer to balance before key meeting** – The oil market is getting closer to balance as demand gradually rises, OPEC's Secretary General, Mohammad Barkindo said on Monday, two days before the group and ally Russia meet to decide whether to ease output curbs from August. The OPEC and allies, known as OPEC+, have been cutting output since May by 9.7mn bpd after the coronavirus crisis destroyed a third of global demand and caused a price collapse. After July, the cuts are due to taper to 7.7mn bpd until December although a final decision has yet to be taken. A panel called the Joint Ministerial Monitoring Committee (JMMC) meets on Wednesday to recommend the next level of cuts. "The gradual reopening of the economies and societies around the world has provided a much-needed resurgence in demand," while the supply cuts "have helped reverse a rapidly rising trend in inventories," he said. "These supply and demand trends are helping bring us step by step closer to achieving a balanced market." (Reuters)
- **UAE's tourism output hits \$58.2bn in 2019; Saudi Arabia \$79.5bn** – The UAE's tourism sector output recorded around \$58.2bn in 2019, according to a recent report by the Arab Monetary Fund (AMF). Across Arab countries, the tourism sector output rose to a total of \$313.6bn last year, up 2.2% from \$281.5bn in 2018. Saudi Arabia witnessed the highest output with \$79.5bn last year, followed by the UAE and Egypt with \$58.2bn and \$48.3bn, respectively. In addition, the tourism sector in Saudi Arabia, the UAE, and Egypt represented around 59% or nearly \$186bn of the total output across the Arab countries in 2019. Tourism accounts for around 30% of the world's exports of service and 45% of service exports in the developing countries, as shown by the statistics of the World Tourism Organisation (WTO).
- **Saudi Arabia and Iraq say fully committed to OPEC+ deal** – Saudi Arabia and Iraq are fully committed to OPEC+ deal and the latter will increase its commitment to the output cuts by 100% next month, state-run Saudi Press Agency reports, citing joint statement by oil ministers. Iraq is also committed to compensating the oversupply in May and June with cuts in July, August and September. Iraq's commitment to cuts reached nearly 90% in June. Saudi's Oil Minister says confident Iraq will improve its commitment level. (Bloomberg)
- **Saudi Arabia's Red Sea mega project awards contracts for international airport** – Saudi Arabia's Red Sea Development

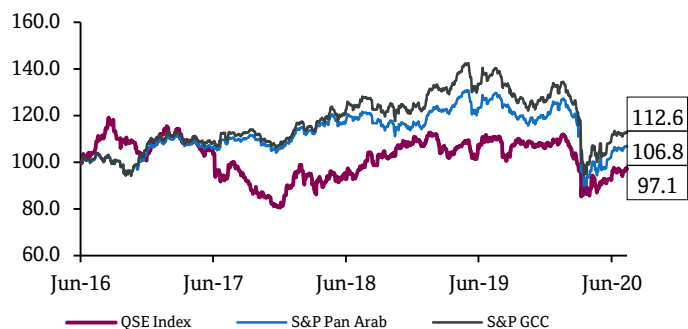
Company said on Monday it had awarded infrastructure contracts for an international airport that is due to open in 2022. The company, which is developing a huge Red Sea tourism project, said the contracts were awarded to Nesma & Partners Contracting Co. Ltd and Almabani General Contractors. Saudi Arabia plans to develop resorts on 50 islands off the Red Sea coast, offering a nature reserve, coral reef diving and heritage sites. Red Sea Development Co, backed by Saudi Arabia's sovereign fund, the Public Investment Fund (PIF), plans to build the first phase by 2022. It aims to attract 300,000 tourists a year in the first phase and 800,000 to 1mn once the development is complete. Red Sea is one of three major projects backed by PIF, along with the \$500bn NEOM economic zone and the Qiddiya entertainment project. (Reuters)

- **Saudi Aramco cuts August heavier crude supply for Asian refiners** – Saudi Aramco will reduce its August-loading shipments of medium and heavy crude grades to at least six Asian buyers, several sources said on Monday. Buyers in China, Japan, South Korea, Taiwan and India were notified by Aramco over the weekend about the supply cuts, the sources said. This is the fourth month in a row the company is cutting shipments for heavier grades. Saudi Arabia, the largest producer and biggest exporter in the OPEC, has been cutting its production and exports to comply with an agreement between OPEC and allies, including Russia, to cut output by a record of 9.7mn bpd over May to July. Aramco will cut Arab Heavy crude supplies for August by about 10% of their contracted volumes while Arab Medium supplies were also reduced, five of the sources said. These grades are considered so-called heavier crudes because of their higher densities compared to other types of oils. However, buyers were given the option to switch these supplies to lighter crude grades, two of the sources said. Saudi Aramco's previous supply cuts in Asia have been focused on these crude grades. (Reuters)
- **Saudi Aramco to publish second-quarter results on August 9** – Saudi Aramco plans to release its second-quarter earnings on August 9 before the Saudi stock exchange Tadawul opens. The company will hold a webcast for the 2Q2020 results on August 10, the company said on Monday. (Reuters)
- **Government of Sharjah investor calls on July 13 for USD 30 year bond** – The Government of the Emirate of Sharjah acting through the Sharjah Finance Department has mandated HSBC as SGC, Citi, HSBC and Standard Chartered Bank as JLMs and JBRs, and Emirates NBD Capital, Invest Bank and JPMorgan as structuring agents to arrange a global investor call on July 13, 2020. A Rule 144A / Reg S senior unsecured USD-denominated 30-year Formosa bond under the issuer's global medium term note program will follow. The bond will be listed on Euronext Dublin, Nasdaq Dubai and Taipei Exchange. (Bloomberg)
- **Kuwait cancels Al-Dabdaba solar plant project due to coronavirus** – The Kuwaiti cabinet cancelled plans to construct the Al-Dabdaba solar plant, which would have provided 15% of the oil sector's needs of electrical energy, due to the coronavirus pandemic. "The cabinet decided to cancel the decisions on the project due to the spread of coronavirus and its impacts on the global oil and financial markets," it said after meeting on Monday. The project, which was to be carried out by Kuwait National Petroleum Company (KNPC), was supposed to start operating in February 2021. But the proposal was extremely

delayed due to bureaucratic procedures. The lowest bid for the project was KD439mn, Kuwait's Alrai newspaper said on July 5. Kuwait has plans to generate 15% of its energy via renewable sources by 2030. The decision would contribute to the Kuwait Petroleum Corporation (KPC) "focusing on its priorities for the coming stage and maintaining its position in the global oil markets", the cabinet statement said. The project was aimed at establishing a solar power plant within the Al-Shikaya Complex for Renewable Energy, which is located 100 kms (62 miles) west of Kuwait City, on about 32 square kilometers (12.4 square miles). (Reuters)

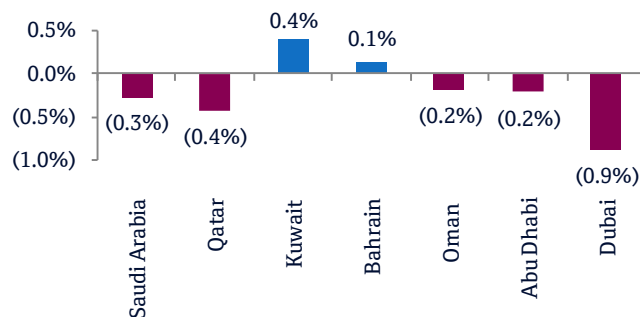
- **Enel draws interest from Wren House for Open Fiber stake** – Italian utility Enel has received an expression of interest from infrastructure fund Wren House for its stake in broadband network company Open Fiber, sources said on Monday on condition of anonymity. Wren House, the London-based infrastructure investment arm of Kuwait's sovereign wealth fund (KIA), is interested in the 50% stake Enel holds, one of the sources said. The sources declined to say how much any offer would be worth. (Reuters)
- **Oman sells OMR23mn 28-day bills at yield 0.655%** – Oman sold OMR23mn of 28-day bills due on August 12, 2020. The bills were sold at a price of 99.945, having a yield of 0.655% and will settle on July 15, 2020. (Bloomberg)
- **Oman's June consumer prices fall 0.73% YoY; rise 0.42% MoM** – National Centre for Statistics & Information in Muscat published Oman's consumer prices, which showed that consumer prices fell 0.73% YoY, however, rose 0.42% MoM. Food and non-alcoholic beverages prices rose 3.39% YoY in June. The transport prices fell 6.95% YoY in June. (Bloomberg)
- **BNA: Bahrain adds \$470mn in expenditures to 2020 budget for coronavirus impact** – Bahrain will add \$470mn to its 2020 state budget in emergency expenditures arising from fighting the new coronavirus pandemic, state news agency BNA said on Monday, reporting a royal decree. (Reuters)
- **BKNZ posts 37% YoY rise in net profit to OMR5.9mn in 1H2020** – Bank Nizwa (BKNZ) recorded a net profit of OMR5.9mn in 1H2020, an increase of 37% YoY. Operating profit before provision and tax rose 30% YoY to OMR9.5mn in 1H2020. Operating Income rose 15% YoY to OMR18.6mn in 1H2020. Total assets stood at OMR1.1bn at the end of June 30, 2020, as compared to OMR0.9bn at the end of June 30, 2019. Financing to customers stood at OMR0.9bn (+14% YoY), while customers' deposits stood at OMR0.8bn (+14% YoY) at the end of June 30, 2020. (MSM)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,802.76	0.2	0.2	18.8
Silver/Ounce	19.08	1.9	1.9	6.8
Crude Oil (Brent)/Barrel (FM Future)	42.72	(1.2)	(1.2)	(35.3)
Crude Oil (WTI)/Barrel (FM Future)	40.10	(1.1)	(1.1)	(34.3)
Natural Gas (Henry Hub)/MMBtu	1.73	(2.8)	(2.8)	(17.2)
LPG Propane (Arab Gulf)/Ton	49.25	2.3	2.3	19.4
LPG Butane (Arab Gulf)/Ton	48.25	0.5	0.5	(26.3)
Euro	1.13	0.4	0.4	1.2
Yen	107.29	0.3	0.3	(1.2)
GBP	1.26	(0.5)	(0.5)	(5.3)
CHF	1.06	(0.0)	(0.0)	2.8
AUD	0.69	(0.1)	(0.1)	(1.2)
USD Index	96.46	(0.2)	(0.2)	0.1
RUB	70.98	0.4	0.4	14.5
BRL	0.19	(1.5)	(1.5)	(25.6)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,253.76	(0.3)	(0.3)	(4.4)
DJ Industrial	26,085.80	0.0	0.0	(8.6)
S&P 500	3,155.22	(0.9)	(0.9)	(2.3)
NASDAQ 100	10,390.84	(2.1)	(2.1)	15.8
STOXX 600	370.50	1.6	1.6	(9.8)
DAX	12,799.97	1.9	1.9	(2.0)
FTSE 100	6,176.19	1.2	1.2	(22.1)
CAC 40	5,056.23	2.3	2.3	(14.4)
Nikkei	22,784.74	2.0	2.0	(2.1)
MSCI EM	1,071.36	0.2	0.2	(3.9)
SHANGHAI SE Composite	3,443.29	1.8	1.8	12.3
HANG SENG	25,772.12	0.2	0.2	(8.1)
BSE SENSEX	36,693.69	0.3	0.3	(15.7)
Bovespa	98,697.10	(1.6)	(1.6)	(36.0)
RTS	1,234.50	(0.9)	(0.9)	(20.3)

Source: Bloomberg (*\$ adjusted returns)

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