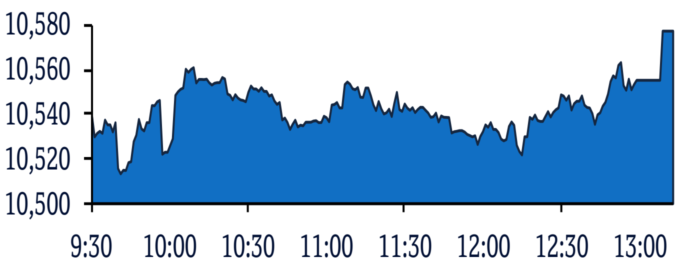
Daily Market Report

Wednesday, 03 July 2019

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.2% to close at 10,578.4. Gains were led by the Telecoms and Real Estate indices, gaining 1.0% and 0.3%, respectively. Top gainers were Doha Bank and Al Khaleej Takaful Insurance Company, rising 4.3% and 2.2%, respectively. Among the top losers, Qatari Investors Group fell 2.8%, while Qatari German Company for Medical Devices was down 2.7%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.2% to close at 8,834.3. Losses were led by the Banks and Consumer Durables indices, falling 0.7% and 0.4%, respectively. Fawaz Abdulaziz Alhokair Co. declined 2.7%, while National Medical Care was down 2.6%.

Dubai: The DFM Index gained 0.2% to close at 2,678.9. The Insurance index rose 1.8%, while the Consumer Staples and Discretionary index gained 1.7%. Gulf Navigation Holding rose 5.5%, while Islamic Arab Insurance Co. was up 3.0%.

Abu Dhabi: The ADX General Index gained marginally to close at 4,978.8. The Industrial index rose 1.0%, while the Energy index gained 0.6%. Abu Dhabi Nat. Takaful Co. rose 14.7%, while Abu Dhabi Nat. Co. for Build. Mat. was up 13.9%.

Kuwait: The Kuwait All Share Index gained 0.7% to close at 5,883.6. The Telecommunications index rose 1.8%, while the Banks index gained 0.9%. Amwal International Investment Co. rose 19.6%, while Al-Eid Food Co. was up 14.3%.

Oman: The MSM 30 Index fell 0.4% to close at 3,858.6. The Services index declined 1.4%, while the other indices ended in green. Renaissance Services fell 10.0%, while United Power was down 6.4%.

Bahrain: The BHB Index gained 1.0% to close at 1,490.4. The Service index rose 1.5%, while the Commercial Bank index gained 1.2%. Bahrain Telecommunication Company rose 2.7%, while Ahli United Bank was up 2.1%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Doha Bank	2.66	4.3	1,295.8	19.8
Al Khaleej Takaful Insurance Co.	1.83	2.2	1,356.6	113.0
Gulf International Services	1.94	1.6	255.1	14.1
Ooredoo	66.60	1.4	357.3	(11.2)
Qatar Oman Investment Company	0.57	1.2	229.7	6.6

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.72	0.3	7,632.5	(44.3)
Qatari German Co for Med. Devices	0.84	(2.7)	5,849.0	47.7
Mesaieed Petrochemical Holding	2.62	0.0	3,322.4	74.3
Qatar First Bank	0.41	0.2	3,020.0	0.5
Masraf Al Rayan	3.86	0.3	2,852.0	(7.4)

Market Indicators	02 July 19	01 July 19	%Chg.
Value Traded (QR mn)	174.4	189.8	(8.1)
Exch. Market Cap. (QR mn)	581,439.4	581,263.7	0.0
Volume (mn)	42.5	54.8	(22.5)
Number of Transactions	5,348	6,897	(22.5)
Companies Traded	44	46	(4.3)
Market Breadth	20:16	23:21	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,465.21	0.2	1.3	7.3	14.9
All Share Index	3,122.81	0.1	1.0	1.4	14.8
Banks	4,094.27	0.2	1.4	6.9	14.3
Industrials	3,274.18	(0.2)	0.7	1.8	16.5
Transportation	2,540.78	(0.2)	(0.8)	23.4	13.6
Real Estate	1,546.98	0.3	1.2	(29.3)	12.9
Insurance	3,122.28	(1.7)	0.9	3.8	18.0
Telecoms	914.59	1.0	1.0	(7.4)	18.8
Consumer	8,170.07	(0.1)	0.9	21.0	15.9
Al Rayan Islamic Index	4,100.08	0.1	0.9	5.5	14.0

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bahrain Telecom. Co.	Bahrain	0.38	2.7	482.0	35.0
Saudi Arabian Fertilizer	Saudi Arabia	89.80	2.4	289.0	16.5
Ahli United Bank	Bahrain	0.88	2.1	4,689.5	41.2
Mobile Telecom. Co.	Kuwait	0.54	2.1	8,804.8	20.0
Bupa Arabia for Coop. Ins.	Saudi Arabia	98.90	2.0	82.4	22.1

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Kayan Petrochem.	Saudi Arabia	11.96	(2.0)	7,356.2	(9.4)
Qatar Insurance Co.	Qatar	3.55	(1.9)	952.7	(1.1)
Ooredoo	Oman	0.46	(1.7)	358.4	(18.7)
Arab National Bank	Saudi Arabia	26.20	(1.7)	407.4	23.2
Advanced Petrochem. Co.	Saudi Arabia	58.80	(1.7)	756.4	16.4

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatari Investors Group	2.39	(2.8)	478.6	(14.1)
Qatari German Co for Med. Dev.	0.84	(2.7)	5,849.0	47.7
Qatar Islamic Insurance Company	5.62	(2.4)	155.8	4.6
Qatar Insurance Company	3.55	(1.9)	952.7	(1.1)
Alijarah Holding	0.78	(1.8)	333.9	(11.3)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Ooredoo	66.60	1.4	23,796.3	(11.2)
QNB Group	19.15	(0.3)	19,415.9	(1.8)
Medicare Group	6.97	(1.7)	13,782.2	10.5
Qatar Islamic Bank	17.10	1.2	13,451.1	12.5
Masraf Al Rayan	3.86	0.3	10,990.3	(7.4)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,578.43	0.2	1.3	1.2	2.7	47.68	159,721.4	14.9	1.6	4.1
Dubai	2,678.92	0.2	2.0	0.8	5.9	48.42	96,773.0	11.9	1.0	4.6
Abu Dhabi	4,978.84	0.0	(0.3)	(0.0)	1.3	26.55	138,690.4	14.8	1.5	5.0
Saudi Arabia	8,834.26	(0.2)	0.4	0.1	12.9	702.78	555,249.6	19.7	2.0	3.4
Kuwait	5,883.59	0.7	1.2	0.9	15.8	146.72	111,325.8	16.7	1.5	3.3
Oman	3,858.62	(0.4)	(0.8)	(0.7)	(10.8)	5.60	16,864.7	7.6	0.8	7.1
Bahrain	1,490.42	1.0	1.5	1.3	11.5	12.97	23,209.2	10.9	1.0	5.1

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 rose 0.2% to close at 10,578.4. The Telecoms and Real Estate indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Doha Bank and Al Khaleej Takaful Insurance Company were the top gainers, rising 4.3% and 2.2%, respectively. Among the top losers, Qatari Investors Group fell 2.8%, while Qatari German Company for Medical Devices was down 2.7%.
- Volume of shares traded on Tuesday fell by 22.5% to 42.5mn from 54.8mn on Monday. Further, as compared to the 30-day moving average of 143.4mn, volume for the day was 70.4% lower. Ezdan Holding Group and Qatari German Company for Medical Devices were the most active stocks, contributing 18.0% and 13.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	28.85%	36.76%	(13,790,085.74)
Qatari Institutions	19.03%	23.78%	(8,277,749.47)
Qatari	**47.88%**	**60.54%**	**(22,067,835.21)**
GCC Individuals	1.50%	1.41%	156,035.58
GCC Institutions	1.28%	9.06%	(13,556,787.15)
GCC	**2.78%**	**10.47%**	**(13,400,751.57)**
Non-Qatari Individuals	11.33%	11.34%	(7,238.68)
Non-Qatari Institutions	38.01%	17.66%	35,475,825.45
Non-Qatari	**49.34%**	**29.00%**	**35,468,586.77**

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

Ratings, Global Economic Data and Earnings Calendar

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Walaa Cooperative Insurance Co.	Moody's	Saudi Arabia	LTR	–	A3	–	Negative	–

Source: News reports, Bloomberg (* LTR – Long Term Rating)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/02	UK	Markit	Markit/CIPS UK Construction PMI	Jun	43.1	49.2	48.6
07/02	EU	Eurostat	PPI MoM	May	-0.1%	0.1%	-0.3%
07/02	EU	Eurostat	PPI YoY	May	1.6%	1.7%	2.6%

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 2Q2019 results	No. of days remaining	Status
QNBK	QNB Group	10-Jul-19	7	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	10-Jul-19	7	Due
WDAM	Widam Food Company	15-Jul-19	12	Due
MARK	Masraf Al Rayan	15-Jul-19	12	Due
IHGS	Islamic Holding Group	16-Jul-19	13	Due
QIBK	Qatar Islamic Bank	17-Jul-19	14	Due
QIIK	Qatar International Islamic Bank	17-Jul-19	14	Due
ERES	Ezdan Holding Group	18-Jul-19	15	Due
ABQK	Ahli Bank	18-Jul-19	15	Due
NLCS	Alijarah Holding	18-Jul-19	15	Due
QIGD	Qatari Investors Group	22-Jul-19	19	Due
DHBK	Doha Bank	24-Jul-19	21	Due
ORDS	Ooredoo	29-Jul-19	26	Due
QIMD	Qatar Industrial Manufacturing Company	31-Jul-19	28	Due
DOHI	Doha Insurance Group	31-Jul-19	28	Due

Source: QSE

Stock Split Dates for Listed Qatari Companies

Day / Date	Company Symbols 1	2	3	Sector
Sunday 09/06/2019	CBQK	QFBQ		Banking and Financial Services
Monday 10/06/2019	KCBK	DBIS	QOIS	
Tuesday 11/06/2019	QIIK	NLCS		
Wednesday 12/06/2019	QNBK	ABQK	IHGS	
Thursday 13/06/2019	QIBK	DHBK		
Sunday 16/06/2019	MARK			
Monday 17/06/2019	MERS	MCCS		Consumer Goods & Services
Tuesday 18/06/2019	WDAM	ZHCD	QGMD	
Wednesday 19/06/2019	QFLS	MCGS		
Thursday 20/06/2019	SIIS	QCFS		
Sunday 23/06/2019	MPHC	IGRD		Industrial
Monday 24/06/2019	QIGD	AHCS	QNCD	
Tuesday 25/06/2019	IQCD	QIMD		
Wednesday 26/06/2019	QEWS	GISS		
Thursday 27/06/2019	QISI	QATI		Insurance
Sunday 30/06/2019	DOHI	QGRI	AKHI	
Monday 01/07/2019	BRES	ERES		Real Estate
Tuesday 02/07/2019	UDCD	MRDS		
Wednesday 03/07/2019	VFQS	ORDS		Telecoms
Thursday 04/07/2019	QGTS	GWCS	QNNS	Transport/Logistics
Sunday 07/07/2019	QETF	QATR	QAMC	ETFs and QAMCO

Source: QSE

News

Qatar

- **QNB Group recognized as the Middle East and Africa's biggest bank by Tier 1 Capital –** QNB Group, the largest financial institution in the Middle East and Africa, continued its outstanding achievements by topping the Middle East and Africa (MEA) region, on the Banker magazine's Top 1000 World Banks list issued recently. QNB ranked number one as the region's largest bank by Tier 1 capital of $22.5 billion for the 2018 period, a 12% increase over its 2017 figures, bolstered by a $2.8 billion additional Tier 1 perpetual capital note. The Bank reported some of its best annual results ever during the review period supported by the success of its business strategy, with a global ranking of 75th in the list. The recognition was based on a number of factors, including Pre-Tax Profits, Total Assets, Capital Assets Ratio, Return on Capital, Return on Assets, BIS Total %, NPL %, Loans to Assets Ratio, RWA Density and Cost/Income Ratio. Commenting on this landmark achievement, Mr. Abdulla Mubarak Al Khalifa, Acting Chief Executive Officer at QNB Group said: "Being recognized as the first MEA's financial institution in the top 1000 banks globally by a leading financial publication as internationally respected as The Banker Magazine is a truly important milestone. This is a testament to the Group's steadfast commitment to excellence driven by our solid financial performance, overall asset quality, and increasing market share. This new achievement reflects our commitment and spirit of leadership and innovation to bring to reality QNB Group's aspiration of becoming 'a leading bank in the Middle East, Africa and Southeast Asia (MEASEA) by 2020," Mr. Abdulla concluded. Earlier this year, QNB brand was recognized, once again, as the most valuable banking brand in the MEA, with a value worth US $5.04 billion, according to the annual report carried out by Brand Finance. The Group has maintained its position as one of the highest rated regional banks from leading credit rating agencies including Standard & Poor's (A), Moody's (Aa3), Fitch (AA-), and Capital Intelligence (AA-). QNB Group's presence through its subsidiaries and associate companies extends to more than 31 countries across three continents providing a comprehensive range of advanced products and services. The total number of employees is more than 30,000 operating through 1,100 locations, with an ATM network of more than 4,400 machines. (QNB Group Press Release)
- **QSE executes share splits for MRDS –** Qatar Stock Exchange (QSE) announced that the split of shares for Mazaya Qatar Real Estate Development (MRDS) has been executed, effective from July 03, 2019. The new number of MRDS' shares after the split is 1,157,625,000 and the adjusted closing price of QR0.759 per share. QSE also sets price limits, (i) Price up limit: QR0.834 and (ii) Price down limit: QR0.684. (QSE)
- **QSE executes share splits for UDCD –** Qatar Stock Exchange (QSE) announced that the split of shares for United Development Company (UDCD) has been executed, effective from July 03, 2019. The new number of UDCD's shares after the split is 3,540,862,500 and the adjusted closing price of QR1.4 per share. QSE also sets price limits, (i) Price up limit: QR1.54 and (ii) Price down limit: QR1.26. (QSE)
- **QFLS to disclose 2Q2019 financial statements on July 17** – Qatar Fuel Company (QFLS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 17, 2019. (QSE)
- **QGMD to disclose 2Q2019 financial statements on July 16** – Qatari German Company for Medical Devices (QGMD)

announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 16, 2019. (QSE)

- **AKHI to disclose 2Q2019 financial statements on July 25 –** Al Khaleej Takaful Insurance Company (AKHI) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 25, 2019. (QSE)
- **FocusEconomics: Qatar's international reserves may exceed $41bn in 2023 –** Qatar's international reserves may exceed $41bn in 2023, from the current $35.6bn, FocusEconomics estimated and noted it will cover 11.3 months of country's imports. In its latest economic update on the country, the researcher said Qatar's public debt will fall gradually until 2023, and estimated to be 51.3% this year, 49.1% in 2020, 45.6% in 2021, 42.7% in 2022 and 39.9% in 2023. Qatar's fiscal balance as a percentage of GDP is set to rise to 4.5% in 2023 from an estimated 0.6% this year, FocusEconomics stated. The current account balance (as a percentage of the country's GDP) will be 7.4% in 2023 compared with 6.7% in 2019. Qatar's merchandise trade balance, FocusEconomics stated, will be $57bn in 2023. This year, it will account for $47.2bn. Qatar's GDP is expected to reach $242bn by 2023, it stated. By the year-end, Qatar's GDP may total $198bn. Qatar's economic growth in terms of nominal GDP will reach 5.1% in 2023 from 3.2% by the year-end. The country's inflation, the report noted, will be 2.1% in 2023 and 0.6% this year. Qatar's unemployment rate (as a percentage of active population) will remain a meager 0.2% in 2023, unchanged from this year. According to FocusEconomics, Qatar's growth would likely have accelerated in the first quarter of this year after a frail 4Q2018. (Gulf-Times.com)
- **Ras Bufontas free zone to be launched in September –** HE Ahmad Al Sayed, Minister of State and Chairman of Qatar Free Zones Authority (QFZA) has announced that infrastructure for the Qatar's first free zone area - Ras Bufontas - is almost ready to move, and is set to be launched by September this year. Further allocation of most of the land plots is almost complete. The Minister also noted that things are moving at a very fast pace. QFZA has already put in place a team of experts in the top management who are already working on the ground and facilitating potential investors and companies to establish businesses in the free zone areas. Commenting on the regulatory frameworks, the Minister said, "QFZA has already issued three set of regulations which include international regulatory system based on common English laws, and also providing very advance protection of investment to the investors." Several international companies from Singapore, the UK, the US, South Korea and China will soon start setting up their businesses in the free zone. QFZA is also working aggressively to attract American and European companies, especially from Germany, Austria and Switzerland. (Peninsula Qatar)
- **Vodafone Qatar, QPost join hands for better customer service –** Vodafone Qatar and Qatar Post (QPost) have entered into a strategic partnership that will see the two innovative companies join forces to deliver superior customer service. The agreement demonstrates the organizations' shared goal of delivering impact through innovation and logistics services. Under the agreement, QPost, through its extensive nationwide network, will manage a substantial portion of Vodafone Qatar's advanced logistics operations, resulting in significant enhancements to the consumer experience. (Qatar Tribune)
- **QIA announces $365mn acquisition in the US –** Qatar Investment Authority (QIA) and Douglas Emmett has announced a further $365mn acquisition in Los Angeles through their multibillion Dollar real estate partnership. This latest investment made an acquisition of The Glendon, a residential community in Westwood with some 350 apartments and approximately 50,000 square feet of retail space. Westwood has more than 300 local shops and restaurants, and 1.7mn square feet of 'Class A' high rise office properties previously purchased in a partnership between the QIA and Douglas Emmett. Westwood will also be the home of the 2028 Olympic Village. The QIA and Douglas Emmett to date have acquired nine office buildings in West Los Angeles along Wilshire Boulevard and in Downtown Santa Monica. This is their first residential real estate joint investment. With the goal to deploy $45bn throughout the US in the coming years, the acquisition is in line with the QIA's announced intention to increase the diversification of its portfolio across the US. (Gulf-Times.com)
- **Real estate transaction in week of June 23-27 stood at QR348,255,692 –** The trading volume of registered real estates between June 23 and June 27 at the Ministry of Justice's real estate registration department stood at QR348,255,692. The department's weekly report stated that the trading included empty lands, residential units, residential buildings, residential complexes, multipurpose buildings and multipurpose empty lands. Most of the trading took place in Al Rayyan, Doha, Al Daayen, Al Wakrah, Umm Salal, Al Khor, Al Thakhira and Al Shamal. The trading volume of registered real estates between June 16 to June 20 was QR278,565,712. (Gulf-Times.com)
- **A great opportunity for expats to secure permanent residency –** A number of expatriates have shown buying interest in Qatar's real estate market as it offers excellent opportunity for them to secure permanent residency in the country, Al Asmakh Valuations and Research's Director, Gaurav Borikar has said. Borikar said, "Expatriates working in Doha for a long period of time are taking advantage of this great opportunity to secure their residency in Qatar. The residency earlier was connected to jobs. Hence, having a job was the most crucial aspect of staying in Qatar. Now an expatriate is eligible to apply for a permanent residency in Qatar by purchasing $200,000 worth of real estate property in the country." In accordance with Law No 16 of 2018 on the regulation of non-Qatari ownership and use of real estate, owners of the real estate property minimum worth $200,000 are eligible to apply for the permanent residency card of Qatar. (Qatar Tribune)
- **Ooredoo and Akamai offer enhanced cloud cyber-security services –** Ooredoo is now offering enhanced cloud-based corporate ICT cyber-security services to its corporate customers after achieving Silver Partner status with Akamai, the world's largest secured cloud delivery platform. By using Akamai's Intelligent Platform, Ooredoo is providing business customers, particularly in the media, banking and e-commerce markets, with a faster delivery of secure, cloud-based solutions including content delivery, applications, websites and security services. Ooredoo can offer high-end cyber-security services including Web Application Firewall (WAF), bot management, client

reputation, identity management and malware protection. (Qatar Tribune)

- **Qatar attends Arab League health meet –** Qatar presented its national strategy for health and environment in line with the Arab strategy on health and the environment during a joint meeting which started yesterday at the Arab League headquarters to follow up the implementation of the Arab strategy on health and the environment for the period 2017-2030. Qatar is represented by the Director of the Public Health Department of the Ministry of Public Health Sheikh Mohamed bin Hamad Al-Thani. (Gulf-Times.com)

International

- **US slaps duties on steel from Vietnam originally produced in South Korea, Taiwan –** The US Commerce Department stated it would impose duties of up to 456% on certain steel produced in South Korea or Taiwan that are then shipped to Vietnam for minor processing and finally exported to the US. The agency stated in a statement that it had found corrosion-resistant steel products and cold-rolled steel produced in Vietnam using substrate of South Korean or Taiwanese origin had circumvented US anti-dumping and anti-subsidy duties. The duties on South Korean and Taiwanese products were imposed in December 2015 and February 2016. Since those dates through April 2019, shipments of corrosion-resistant steel products and cold-rolled steel from Vietnam to the US had increased by 332% and 916% compared with similar periods immediately before, the statement stated. (Reuters)
- **BRC: UK shop prices fall for first time since October –** British shop prices fell in early June for the first time since October last year, an industry survey showed, offering a bit of relief for consumers whose spending has helped the economy during the Brexit crisis. The British Retail Consortium (BRC) and market research group Nielsen said shop prices fell by 0.1% in annual terms, pushed down by non-food prices, compared with a 0.8% increase in May. "While the overall fall in prices was small, and food inflation remains steady, it nonetheless represents a welcome break for consumers after several months of inflation," BRC's CEO, Helen Dickinson said. Moderate inflation and rising wages have encouraged households to spend even as they remain worried about the outlook for the economy ahead of Brexit. However, there have been signs recently that consumers have turned more cautious. (Reuters)
- **Nationwide: UK housing market stuck in slow gear as Brexit weighs –** British house price growth remained weak in June as uncertainty about Brexit hung over the market, mortgage lender Nationwide stated. House prices increased by 0.5% compared with a year ago, slowing slightly after a 0.6% rise in May but in line with the median forecast in a Reuters poll of economists. At the time of the Brexit referendum in 2016, house prices were growing by about 5% a year, according to Nationwide's measure. In monthly terms, house prices in June edged up by 0.1%, a slightly smaller increase than the median forecast in the Reuters poll for a rise of 0.2%. Nationwide's data chimed with other housing indicators which have suggested that a weakening of the market seen in 2018 might have bottomed out as investors wait for Britain to resolve its Brexit crisis. (Reuters)
- **Eurozone's producer prices fell 0.1% MoM in May –** Eurozone's industrial producer price were down in May from April, data showed, dragged down by a drop in energy prices. The European Union's statistics office Eurostat stated prices at factory gates in the 19 countries sharing the Euro fell 0.1% in May against the previous month and were 1.6% higher than a year earlier. Economist polled by Reuters had forecasted the MoM drop but saw a slightly higher YoY increase of 1.7%. Without energy costs, which dropped 0.6% MoM, producer prices were flat on the month and 1.0% higher on the year. Producer prices are an early indication of trends in consumer inflation, which the European Central Bank wants to keep below, but close to 2% over the medium term but has undershot that since 2013. (Reuters)
- **German monthly retail sales drop, confounding expectations –** German retail sales declined by 0.6% on the month in May, the Federal Statistics Office stated, confounding the consensus for a 0.5% rise and putting a dampener on hopes that household spending will prop up Europe's largest economy. The economy has been relying on private consumption for growth, a cycle supported by a robust labor market, low interest rates and rising wages. However the Bundesbank has stated economic output will fall slightly in the second quarter. Compared to the year before, retail sales expanded far more than expected, with online commerce and delivery services contributing especially strongly to YoY real growth of 4%. That far outstripped the 2.7% growth analysts had expected. The retail data comes after a survey published last week showed German consumer morale fell heading into July. (Reuters)
- **Germany's export-dependent industry feels pain of trade conflicts –** Three German industry groups slashed their production forecasts for this year, citing trade conflicts that have plunged Germany's export-dependent manufacturers into a recession that is hindering growth in Europe's biggest economy. Germany's export prowess had given it nine successive years of growth. However over-dependence on exports has made it vulnerable to prolonged trade conflicts, which have become a threat to an economy that's forecast to expand by just 0.5% this year. The DIHK Chambers of Industry and Commerce more than halved its forecast for export growth forecast this year to 1% from a previous estimate of 2.5%. "Trade disputes and growing protectionism in many parts of the world are increasingly becoming reality for German companies abroad," the DIHK stated. It added that growing skepticism about the world economy in many industrialized countries would weaken demand for machines, services and cars made in Germany, where one in three jobs depend on exports. (Reuters)
- **Japan's service sector growth picks up in welcome boost for strained economy –** Activity in Japan's services sector expanded at a slightly faster pace in June than the previous month, a business survey showed, suggesting domestic demand remains resilient despite growing pressure on the country's export sector. The Jibun Bank Japan Services Purchasing Managers' Index (PMI) edged up to 51.9 from 51.7 in May on a seasonally adjusted basis, pointing to the fastest expansion in three months. The index stayed above the 50 threshold that separates contraction from expansion for the 33rd straight month. Survey respondents reported improved domestic

demand, outweighing sluggish sales to overseas clients. If sustained, solid growth in services could offset some of the economic pressure from weaker exports, which are faltering amid slowing global demand and the US-China trade war. Combined, services and factory activity readings suggest the economy grew 0.3% in the second quarter from a year earlier, slowing from the first quarter, Joe Hayes said, an economist at IHS Markit, which compiles the survey. (Reuters)

- **China's services sector growth slows in June as export orders shrink –** Growth in China's services sector slowed to a four-month low in June as new orders from overseas customers fell, a private survey showed, adding to signs of strain on the economy as the US-Sino trade war drags on. The Caixin/Markit services purchasing managers' index (PMI) fell to 52.0 in June, the lowest since February and down from May's 52.7. The 50-mark separates growth from contraction. New export orders placed with Chinese services firms contracted for the first time in nine months in June, with companies citing subdued global demand and tariffs. Overall new business picked up, however, suggesting a string of government support measures for the economy over the last year were propping up domestic demand. The sub-index for new business rose to 53.4 in June from 52.9. While business confidence improved somewhat from May's 10-month low, many companies worried that weakening US-China ties would weigh on activity in the coming year. (Reuters)
- **China's benchmark overnight repo rate falls to record low –** One of China's main short-term borrowing rates fell to a record low as demand for cash eased at the start of the month and the financial system remained flush with funds. Investors are closely watching to see if China's central bank continues to quietly guide interbank borrowing costs lower to boost the slowing economy. However most market watchers believe the latest softening in rates is due to generous liquidity injected by authorities at the end of June to reduce the risk of a seasonal cash crunch. The overnight borrowing cost was trading below the interest rate on commercial bank's excess reserves offered by the central bank, which now stands at 0.72%. (Reuters)

Regional

- **GCC hosts $43.7tn in liquid assets, set to finance economic growth –** As fossil-fuel substitution will not happen as fast as many believe it will and GCC economies will have the precious lead time they need to transform into post-oil economies. The combination of significant reserves of liquid assets and low debt levels can finance these regional governments' ambitious economic transformation programs, thereby creating a plethora of opportunities for most sectors of the economy, Global management consulting firm Oliver Wyman , noted. The Gulf economies have a strong asset position of $43.7tn in liquid and quasi-liquid assets ($3.3tn in sovereign wealth funds and $40.4tn in proven oil & gas reserves) – which equates to $841mn in such assets per capita. This will provide the required collateral to finance the formidable economic transformation and diversification plans they are implementing, Oliver Wyman said in its report on 'Gulf economies'. Massive current account surpluses, relevant fiscal surpluses, and low debt levels have made the Gulf economic fundamentals among the strongest in the world. After the oil price fall of 2014, there was significant deterioration of these fundamentals. Five years on, they are weaker, however, have stabilized. (Peninsula Qatar)
- **GCC bonds and Sukuk volume at $53.97bn in 1H2019 –** Bloomberg published its 1H2019 EMEA Capital Markets Tables, representing the top arrangers, bookrunners and advisors across various deals including syndicated loans, bonds, equity and M&A transactions. Key highlights for the Middle East and North Africa (MENA) region shows in syndicated loans, GCC-based borrower loans for 1H2019 totaled $30.85bn, a 41.1% decrease compared to 1H2018. In bonds and Sukuk, total GCC volume decreased by 3.8% compared to 1H2018, down to $53.97bn.The number of local banks in the top 10 GCC bookrunner ranking increased to five banks in 1H2019 from none in the same period last year. The total number of international Sukuk issued in 1H2019 totaled $13.86bn, which is a 22.9% increase compared to 1H2018. The number of local GCC banks in the top 5 international Sukuk underwriters ranking increased to three banks in 1H2019 from one in same period last year. GCC conventional bond volume decreased by 5.8%, while GCC Sukuk volume increased by 8.8% compared to 1H2018. Standard Chartered Bank remained as the top GCC bonds and Sukuk underwriter for 1H2019, after ending 2018 at the same position. (Peninsula Qatar)
- **OPEC and allies extend oil supply cut in bid to boost prices –** OPEC and its allies led by Russia have agreed to extend oil output cuts until March 2020, seeking to prop up the price of crude as the global economy weakens and US production soars. The alliance, known as OPEC+, has been reducing oil supply since 2017 to prevent prices from sliding amid increasing competition from the US, which has overtaken Russia and Saudi Arabia will become the world's top producer. Asked by reporters whether agreement had been reached, Saudi Arabian Energy Minister, Khalid Al-Falih said "yes". (Reuters)
- **Saudi Arabia to raise EUR3bn with debut Euro debt sale –** Saudi Arabia is set to raise EUR3bn out of orders in excess of EUR14.5bn with its first bond issuance denominated in that currency, as the Kingdom taps new financing sources to cover its budgetary needs in an era of lower oil prices. The Saudi Arabian bonds are split into a EUR1bn eight-year tranche and a EUR2bn 20-year tranche, a document issued by one of the banks leading the deal showed. Demand for the debt offering was hefty, with orders exceeding EUR14.5bn. "Saudi Arabia will benefit from strong tailwinds as there's good demand for Euro-denominated paper driven by European investors looking for alternatives to very low yields in government bonds in Europe," Head of emerging market debt at NN Investment Partners, Marcelo Assalin, a Netherlands-based asset manager said while the deal was being marketed. Spreads on the eight-year bond tightened during the day to end up offering between 80 basis points (bps) over mid-swaps, while the 20-year notes offer between 140 bps over the same benchmark. (Reuters)
- **SoftBank Vision Fund said to weigh backing crime-busting tech –** Vaak Inc., a Japanese startup backed by SoftBank Group Corp., stated that it is lining up an $18mn cash injection in August and that the Vision Fund could provide further funding, as the company takes its violent crime prevention software global. Tokyo-based Vaak, which is already using Artificial Intelligence to detect shoplifters before they commit theft, said

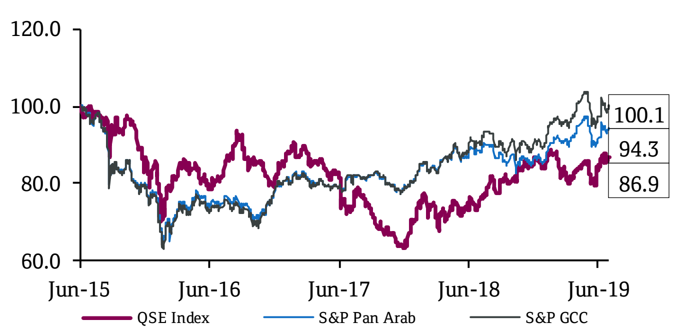
it will sell shares to investors including SoftBank's venture capital arms. CEO, Ryo Tanakaalso said that the Vision Fund has expressed interest and that its investment could come "as early as next year." (Bloomberg)

- **Saudi Aramco said to restart work on world's largest IPO –** Saudi Arabia is restarting preparations for a potential Initial Public Offering (IPO) of oil giant Saudi Aramco, months after putting the planned listing on hold, sources said. Saudi Aramco, the world's most profitable company, recently held talks with a select group of investment banks to discuss potential roles on the offering, according to sources. Detailed work on the IPO may pick up speed later this year or early next year, sources said. The revived IPO plan will still face significant hurdles, including the ability of the Kingdom to achieve the $2tn valuation it is been seeking for the company. Demand for the share sale will also likely be affected by lower oil prices as well as growing concerns among top institutional investors about pouring money into fossil-fuel companies that contribute to climate change. Saudi Arabian Crown Prince, Mohammed bin Salman is also keen to list Saudi Aramco in New York, however, advisors are wary of opening up the company to the risks of US litigation. Crown Prince, Mohammed has insisted that the IPO will still take place in 2020 or 2021. (Bloomberg)
- **Banks scramble to re-pitch for Saudi Aramco IPO roles –** Investment banks are scrambling to re-pitch to advise Saudi Aramco on a possible Initial Public Offering (IPO), sources said, with Saudi Arabia's Energy Minister, Khalid Al-Falih confirming plans for the listing to proceed in 2020 or 2021. "Bankers previously involved in the IPO are pushing for meetings with Aramco," sources added. "There is some shifting in terms of what roles the banks might have if IPO talks go ahead." JPMorgan, Morgan Stanley and HSBC were picked to play a leading role in the world's biggest ever IPO when the plan was first announced in 2016. Boutique investment banks Moelis & Co. and Evercore were also hired by Saudi Aramco as independent advisers. However, plans for a domestic and international listing were later postponed. The Saudi Arabian Energy Minister, who also chairs Saudi Aramco, said that the company is ready to start working on the long-awaited listing, adding it could happen in 2020-2021. "The IPO process was never fully suspended," he added. (Reuters)
- **Alcoa to give up stake in Saudi Arabian facility, sees 2Q2019 charge –** Alcoa will transfer its 25.1% stake in Ma'aden Rolling Company, a can and auto sheet mill, to Saudi Arabian Mining Co. Alcoa will make contribution to MRC of $100mn in two installments. Alcoa is released from future MRC obligations, including its sponsor support of approximately $295mn of MRC debt and its shares of any future MRC cash requirements. Alcoa will retain its 25.1% minority interest in other facilities in which it has a joint venture with Saudi Arabian Mining Company. Alcoa sees charge of about $320mn pretax and after tax, or $1.72/share, in 2Q2019, in connection with the disposition of its interest. (Bloomberg)
- **UAE approves 13 sectors eligible for up to 100% foreign ownership –** The UAE will allow up to 100% foreign ownership of some companies operating in 13 sectors, including manufacturing, agriculture, and renewable energy, state news agency WAM reported. The UAE cabinet has approved 122 economic activities across 13 sectors eligible for up to 100% foreign ownership, WAM stated. Gulf state UAE last year approved a new foreign investment law that would allow foreigners to own more than 49% and up to 100% in some UAE businesses. Officials later said a full list of which sectors and activities the law would apply and will be published in the first quarter of 2019. Other sectors and activities where up to 100% foreign ownership will now be permitted include space, transportation, hospitality, and professional, scientific and technical activities, according to WAM. The full list of sectors and activities the law applies to was not included in the WAM report. Local governments are to determine how much foreign investors can own in each activity, WAM reported, suggesting some Emirates could apply different limits to foreign ownership in the same sector or activity. (Reuters)
- **Al Jaber agrees to second restructuring of $1.5bn –** Al Jaber Group, a family-owned business in Abu Dhabi, has agreed with banks to restructure $1.5bn of debt for a second time after sluggish economic growth hurt cash flow, sources said. The group is close to signing a deal with about 20 creditors to push out loan maturities to December 2026, sources said. In return, Al Jaber will seek to raise about $444mn from asset sales by the end of 2020 and is in the process of hiring sale managers. Members of the Al Jaber family, as well as other shareholders, will also try to raise as much as AED765mn by selling personal assets, according to sources. (Bloomberg)
- **Six Flags to get $7.5mn payout after DXB Entertainments ends project –** Six Flags will receive $7.5mn from the US company's Dubai partner DXB Entertainments, which has ended plans to build a Six Flags theme park. DXB owns Dubai Parks and Resorts, a group of theme parks in the south of Dubai including the Hollywood-inspired Motiongate and a Lego-themed water park. It stated in February that plans for Six Flags Dubai will not go ahead because financing was no longer available. The Dubai theme park company stated that it will retain exclusive right of first refusal for use of 'Six Flags' intellectual property rights in the UAE for five years. (Reuters)
- **Korea National Oil Corp. starts production at Abu Dhabi's Haliba field –** Commercial crude production has started at the Haliba field in Abu Dhabi with an initial capacity of 20k bpd, Korean National Oil Corp. (KNOC) stated. Al Dhafra Petroleum, a consortium consisting of KNOC, GS Energy and Abu Dhabi National Oil Co. (ADNOC), plans to gradually increase output to 40k bpd by the end of this year, and 60k bpd by 2023. KNOC holds a 40% stake, GS 10% and ADNOC owns the rest. KNOC will receive about 5.84mn barrels of oil a year from the field. Crude output from Haliba will be transported through a pipeline to a terminal located outside the Strait of Hormuz, reducing the risk of disruptions due to geopolitical tension in the region. (Bloomberg)
- **Kuwait's Burgan Bank sells $500mn in bonds to boost capital –** Kuwait's Burgan Bank is set to raise $500mn in capital-boosting bonds offering investors a 5.75% yield, a document by one of the banks leading the deal showed. Burgan Bank, Kuwait's second largest conventional bank by assets, has hired HSBC and JPMorgan to coordinate the deal, and Bank ABC, Citi, Emirates NBD Capital, First Abu Dhabi Bank, NBK Capital and Standard Chartered Bank as joint lead managers. The Tier 1

bonds are perpetual, meaning they do not have a maturity. The transaction - received orders of around $2.2bn, the document showed. (Reuters)

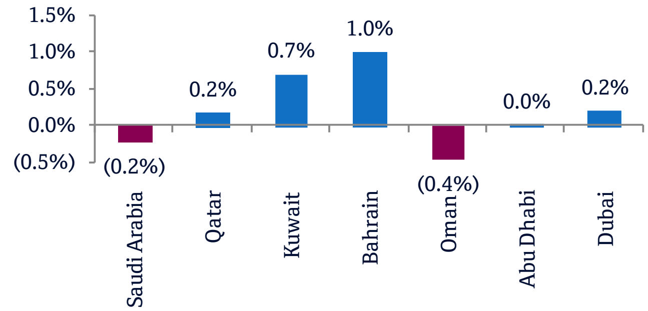
- **Bahrain's M1 money supply rises 4.9% YoY –** Central Bank of Bahrain (CBB) published data on monetary aggregates for May, which showed that the M1 money supply rose 4.9% YoY. The M2 money supply rose 8.6% YoY and the M3 money supply rose 7.7% YoY. (Bloomberg)
- **National Bank of Bahrain plans wealth management entry –** State-controlled National Bank of Bahrain (NBB) plans to enter the wealth management business in partnership with an international wealth manager, The National reported, citing CEO, Jean-Christophe Durand. NBB has access to high-net worth clients and will partner with a bank with wealth management expertise, he said. It will also seek to expand its debt capital markets advisory business to other countries in the region by expanding it to $10bn and aims to be among the top five DCM banks in the Gulf region. It is also planning to expand structured finance, financing of small- and medium-sized enterprises and the trade finance businesses. It also plans to reactivate Dubai branch license to add to the one in Abu Dhabi. The bank also plans to open branches in Saudi Arabia's Eastern Province and Jeddah to add to its Riyadh branch; has submitted Saudi Arabia business plan to Saudi Arabian Monetary Authority. (Bloomberg, Bahrain Bourse)
- **Bank of Bahrain and Kuwait eyes $500mn bond deal –** Bank of Bahrain and Kuwait is set to raise $500mn in bonds, offering investors a yield equivalent to 375 basis points over mid-swaps, a document issued by one of the banks leading the deal showed. The debt sale, which ended on Tuesday, received over $1bn in orders, according to the document. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,418.65	2.5	0.7	10.6
Silver/Ounce	15.31	1.1	(0.0)	(1.2)
Crude Oil (Brent)/Barrel (FM Future)	62.40	(4.1)	(6.2)	16.0
Crude Oil (WTI)/Barrel (FM Future)	56.25	(4.8)	(3.8)	23.9
Natural Gas (Henry Hub)/MMBtu	2.30	(1.3)	(5.0)	(27.8)
LPG Propane (Arab Gulf)/Ton	44.38	(7.8)	(8.3)	(30.7)
LPG Butane (Arab Gulf)/Ton	42.00	(3.4)	(4.5)	(39.6)
Euro	1.13	(0.0)	(0.8)	(1.6)
Yen	107.88	(0.5)	0.0	(1.7)
GBP	1.26	(0.4)	(0.8)	(1.3)
CHF	1.01	0.1	(1.0)	(0.5)
AUD	0.70	0.4	(0.4)	(0.8)
USD Index	96.73	(0.1)	0.6	0.6
RUB	63.31	0.5	0.2	(9.2)
BRL	0.26	(0.1)	0.0	0.9

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,198.55	0.3	0.9	16.7
DJ Industrial	26,786.68	0.3	0.7	14.8
S&P 500	2,973.01	0.3	1.1	18.6
NASDAQ 100	8,109.09	0.2	1.3	22.2
STOXX 600	389.29	0.5	0.7	13.8
DAX	12,526.72	0.2	0.6	17.2
FTSE 100	7,559.19	0.7	1.2	11.2
CAC 40	5,576.82	0.3	0.2	16.4
Nikkei	21,754.27	0.7	2.2	11.2
MSCI EM	1,063.64	(0.0)	0.8	10.1
SHANGHAI SE Composite	3,043.94	(0.3)	2.1	22.1
HANG SENG	28,875.56	1.3	1.3	12.2
BSE SENSEX	39,816.48	0.4	1.1	11.7
Bovespa	100,605.20	(0.6)	(0.2)	15.8
RTS	1,398.26	(0.2)	1.3	30.8

Source: Bloomberg (*$ adjusted returns)

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