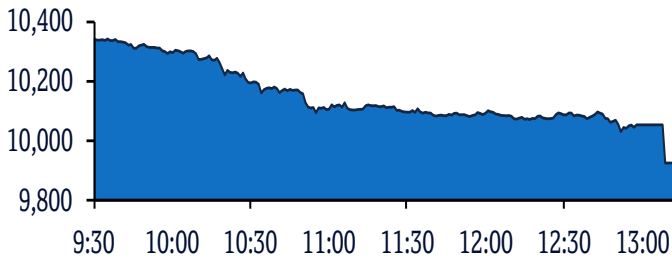


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 4.2% to close at 9,924.9. Losses were led by the Telecoms and Insurance indices, falling 5.5% and 5.4%, respectively. Top losers were Gulf International Services and Ooredoo, falling 9.7% and 7.7%, respectively. Among the top gainers, Qatar Cinema & Film Distribution Company gained 7.0%, while Widam Food Company was up 1.5%.

GCC Commentary

Saudi Arabia: The TASI Index fell 1.1% to close at 8,465.3. Losses were led by the Software & Serv. and Media and Ent. indices, falling 3.8% and 1.8%, respectively. National Medical Care declined 7.7%, while Walaa Coop. Insurance was down 6.1%.

Dubai: The DFM Index declined 2.0% to close at 2,799.8. The Consumer Staples and Disc. index fell 3.8%, while the Real Estate & Const. index declined 3.1%. Ithmaar Holding fell 8.0%, while Ektitab Holding Company was down 5.5%.

Abu Dhabi: The ADX General Index fell 1.9% to close at 5,083.2. The Telecommunication index declined 2.6%, while the Banks index fell 1.9%. Methaq Takaful Insurance declined 4.2%, while Bank of Sharjah was down 3.7%.

Kuwait: The Kuwait All Share Index fell 0.1% to close at 6,102.1. The Basic Materials index declined 1.1%, while the Insurance index fell 1.0%. Tijara and Real Estate Investment declined 10.0%, while Alargan Int. Real Estate was down 9.4%.

Oman: The MSM 30 Index gained 0.2% to close at 3,788.7. Gains were led by the Financial and Services indices, rising 0.3% and 0.1% respectively. Al Omaniya Financial Ser. rose 2.4%, while National Bank of Oman was up 1.9%.

Bahrain: The BHB Index fell 0.3% to close at 1,544.6. The Commercial Banks index declined 0.4%, while the Industrial index fell 0.2%. Khaleeji Commercial Bank declined 7.1%, while Bahrain Islamic Bank was down 4.1%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	2.30	7.0	12.7	20.9
Widam Food Company	6.22	1.5	314.2	(11.1)
Investment Holding Group	0.58	1.4	10,422.9	18.6
Salam International Inv. Ltd.	0.41	1.2	41.3	(6.0)
Qatar Fuel Company	21.14	0.6	367.6	27.4

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.65	(2.7)	12,493.2	(50.3)
Investment Holding Group	0.58	1.4	10,422.9	18.6
Gulf International Services	1.58	(9.7)	8,420.5	(7.1)
Qatar First Bank	0.36	(3.8)	5,694.7	(12.7)
QNB Group	18.02	(5.9)	5,370.2	(7.6)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,924.87	(4.2)	(4.5)	(5.5)	(3.6)	88.50	149,950.3	14.3	1.9	4.4
Dubai	2,799.83	(2.0)	(3.5)	(4.1)	10.7	55.68	99,897.4	11.6	1.0	4.4
Abu Dhabi	5,083.16	(1.9)	(2.8)	(4.4)	3.4	61.66	140,511.6	15.1	1.4	4.9
Saudi Arabia	8,465.25	(1.1)	(2.3)	(3.1)	8.2	889.94	532,188.4	20.1	1.9	3.6
Kuwait	6,102.11	(0.1)	(0.4)	(0.2)	20.1	109.07	114,127.2	15.0	1.5	3.4
Oman	3,788.73	0.2	0.3	0.7	(12.4)	4.47	16,691.4	7.5	0.7	7.2
Bahrain	1,544.65	(0.3)	(0.3)	(0.2)	15.5	4.37	24,187.3	11.6	1.0	5.0

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

Market Indicators	05 Aug 19	04 Aug 19	%Chg.
Value Traded (QR mn)	321.9	74.0	335.1
Exch. Market Cap. (QR mn)	545,869.4	570,276.5	(4.3)
Volume (mn)	94.0	30.2	211.3
Number of Transactions	8,047	2,946	173.2
Companies Traded	45	44	2.3
Market Breadth	8:34	15:26	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,262.59	(4.2)	(4.5)	0.6	14.3
All Share Index	2,929.30	(4.1)	(4.6)	(4.9)	14.5
Banks	3,813.81	(5.3)	(5.9)	(0.5)	13.2
Industrials	2,995.25	(4.1)	(4.2)	(6.8)	16.8
Transportation	2,512.23	(0.7)	(1.5)	22.0	16.3
Real Estate	1,453.14	(2.4)	(3.1)	(33.6)	13.8
Insurance	2,850.07	(5.4)	(5.1)	(5.3)	17.0
Telecoms	891.55	(5.5)	(6.2)	(9.7)	20.7
Consumer	8,112.05	0.5	0.1	20.1	15.7
Al Rayan Islamic Index	3,869.42	(2.8)	(3.1)	(0.4)	13.9

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
National Bank of Oman	Oman	0.17	1.9	3,196.8	(9.3)
Saudi Airlines Catering	Saudi Arabia	90.50	1.7	78.7	11.7
Bank Dhofar	Oman	0.14	1.5	685.0	(13.0)
Rabigh Ref. & Petrochem.	Saudi Arabia	19.26	1.4	991.7	0.9
VIVA Kuwait Telecom Co.	Kuwait	0.80	1.3	42.1	0.1

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ooredoo	Qatar	6.51	(7.7)	1,357.3	(13.2)
QNB Group	Qatar	18.02	(5.9)	5,370.2	(7.6)
Masraf Al Rayan	Qatar	3.55	(5.8)	5,276.9	(14.8)
Qatar Insurance Co.	Qatar	3.23	(5.8)	2,276.3	(10.0)
Industries Qatar	Qatar	10.50	(5.8)	2,404.3	(21.4)

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%
Gulf International Services	1.58	(9.7)	8,420.5	(7.1)
Ooredoo	6.51	(7.7)	1,357.3	(13.2)
Islamic Holding Group	2.11	(7.0)	409.9	(3.4)
Al Khaleej Takaful Insurance Co.	1.64	(6.3)	1,038.5	90.9
QNB Group	18.02	(5.9)	5,370.2	(7.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.02	(5.9)	100,279.0	(7.6)
Qatar Islamic Bank	15.15	(5.4)	26,344.1	(0.3)
Industries Qatar	10.50	(5.8)	25,890.0	(21.4)
Masraf Al Rayan	3.55	(5.8)	19,194.0	(14.8)
Gulf International Services	1.58	(9.7)	13,409.3	(7.1)

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index declined 4.2% to close at 9,924.9. The Telecoms and Insurance indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Gulf International Services and Ooredoo were the top losers, falling 9.7% and 7.7%, respectively. Among the top gainers, Qatar Cinema & Film Distribution Company gained 7.0%, while Widam Food Company was up 1.5%.
- Volume of shares traded on Monday rose by 211.3% to 94.0mn from 30.2mn on Sunday. Further, as compared to the 30-day moving average of 62.1mn, volume for the day was 51.5% higher. Ezdan Holding Group and Investment Holding Group were the most active stocks, contributing 13.3% and 11.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	35.79%	17.89%	57,628,900.13
Qatari Institutions	21.20%	4.79%	52,813,612.34
Qatari	56.99%	22.68%	110,442,512.47
GCC Individuals	0.91%	0.52%	1,260,508.76
GCC Institutions	0.51%	3.80%	(10,566,158.85)
GCC	1.42%	4.32%	(9,305,650.09)
Non-Qatari Individuals	8.64%	7.43%	3,873,428.10
Non-Qatari Institutions	32.94%	65.57%	(105,010,290.48)
Non-Qatari	41.58%	73.00%	(101,136,862.38)

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2019	% Change YoY	Operating Profit (mn) 2Q2019	% Change YoY	Net Profit (mn) 2Q2019	% Change YoY
Knowledge Economic City	Saudi Arabia	SR	30.1	92.7%	-5.9	N/A	5.5	N/A
Arabian Shield Cooperative Insurance Company	Saudi Arabia	SR	96.0	2.7%	-	-	3.2	-29.3%
The Co. for Cooperative Insurance	Saudi Arabia	SR	1,999.5	13.9%	-	-	32.0	-68.3%
Sadara Basic Services Company	Saudi Arabia	SR	2,729.0	-20.5%	-480.3	N/A	-1,137.7	N/A
Seera Group Holding	Saudi Arabia	SR	488.0	-8.1%	87.0	-60.1%	66.0	-35.9%
The Mediterranean and Gulf Insurance and Reinsurance Co.	Saudi Arabia	SR	290.5	4.5%	-	-	6.2	62.0%
Walaa Cooperative Insurance Co.	Saudi Arabia	SR	298.1	20.2%	-	-	4.6	86.6%
MetLife AIG ANB Cooperative Insurance Company	Saudi Arabia	SR	17.5	-32.1%	-	-	1.1	-0.4%
Al Moammar Information Systems	Saudi Arabia	SR	238.1	-12.9%	19.8	0.3%	13.0	0.6%
Fitaihi Holding Group	Saudi Arabia	SR	36.5	-30.4%	9.1	-38.6%	7.5	-45.3%
Emirates Refreshments	Dubai	AED	11.6	-16.3%	-2.3	N/A	-2.3	N/A
Emaar Development [#]	Dubai	AED	6,237.0	-10.8%	-	-	1,382.0	-23.9%
Alliance Insurance	Dubai	AED	60.6	-12.1%	-	-	11.3	-8.3%
ADNOC Distribution	Abu Dhabi	AED	5,504.0	15.4%	622.0	2.8%	595.0	2.9%
Gulf Medical Projects Company	Abu Dhabi	AED	131.1	12.3%	-	-	8.7	-55.9%
Union Insurance Company	Abu Dhabi	AED	238.0	-6.9%	-	-	9.1	87.2%
Trafco Group	Bahrain	BHD	9.4	-6.9%	0.5	-26.7%	0.2	-38.8%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financials for 6M2019)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08/05	US	Markit	Markit US Services PMI	July	53.0	52.2	52.2
08/05	US	Markit	Markit US Composite PMI	July	52.6	-	51.6
08/05	US	Institute for Supply Management	ISM Non-Manufacturing Index	July	53.7	55.5	55.1
08/05	UK	Markit	Markit/CIPS UK Services PMI	July	51.4	50.3	50.2
08/05	UK	Markit	Markit/CIPS UK Composite PMI	July	50.7	49.8	49.7
08/05	EU	Markit	Markit Eurozone Services PMI	July	53.2	53.3	53.3
08/05	EU	Markit	Markit Eurozone Composite PMI	July	51.5	51.5	51.5
08/05	EU	Sentix Behavioral Indices	Sentix Investor Confidence	August	-13.7	-7.0	-5.8
08/05	Germany	Markit	Markit Germany Services PMI	July	54.5	55.4	55.4
08/05	Germany	Markit	Markit/BME Germany Composite PMI	July	50.9	51.4	51.4
08/05	France	Markit	Markit France Services PMI	July	52.6	52.2	52.2
08/05	France	Markit	Markit France Composite PMI	July	51.9	51.7	51.7
08/05	Japan	Markit	Jibun Bank Japan PMI Composite	July	51.2	-	51.2
08/05	Japan	Markit	Jibun Bank Japan PMI Services	July	51.8	-	52.3

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08/05	China	Markit	Caixin China PMI Composite	July	50.9	-	50.6
08/05	China	Markit	Caixin China PMI Services	July	51.6	52.0	52.0
08/05	India	Markit	Markit India PMI Services	July	53.8	-	49.6
08/05	India	Markit	Markit India PMI Composite	July	53.9	-	50.8

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
MCCS	Mannai Corporation	6-Aug-19	0	Due
MERS	Al Meera Consumer Goods Company	6-Aug-19	0	Due
MRDS	Mazaya Qatar Real Estate Development	7-Aug-19	1	Due

Source: QSE

News

Qatar

- BRES' net profit declines ~76% YoY and ~77% QoQ in 2Q2019** – Barwa Real Estate Company's (BRES) net profit declined ~76% YoY (~77% QoQ) to ~QR96mn in 2Q2019. In 1H2019, BRES net profit attributable to shareholders of the parent company stood at QR510mn and earnings per share amounted to QR0.13, a decrease from the net profit for the corresponding period of 2018. The decrease in net profit was mainly due to the drop in profits of some non-recurring items in nature such as profit from debt scheduling and the application of IFRS 16. Total assets of the Group amounted to QR31bn and total equity attributable to the equity holders of the parent company amounted to QR18.9bn, in addition to maintaining a cash balance of QR1bn. In spite of the challenges currently facing the real estate market, Barwa Real Estate is working to strengthen its operating revenues during the second half of 2019 by completing the development of its ongoing projects which will contribute to the development of the operational real estate portfolio of the Group. These projects include affordable housing project for laborers at a construction cost of QR1.34bn. The project includes 25,360 residential rooms in addition to shops, hypermarkets and mosques. In July 2019, Barwa Real Estate started leasing activities through its subsidiary Waseef Asset & Facility Management in preparation for the completion of its full implementation during the fourth quarter of 2019. The labor housing project is one of the fruits of cooperation between Barwa Real Estate Company and the Government of the State of Qatar with the aim of strengthening the efforts exerted by the Government to improve the conditions of workers 'accommodation and meet the needs of the local market for workers' housing in line with the objectives of Qatar National Vision 2030 and Qatar's preparations to host the 2022 World Cup. Another key project is setting up warehouses and workshops project in Barwa Al Baraha, which includes 561 warehouses with an area of 300 square meters for each warehouse and 118 workshops with an area of 144 square meters for each workshop. The total construction area of the project is about 187 thousand square meters in addition to the development of infrastructure and all the necessary services for the project. The importance of this project stems from providing suitable spaces and warehouses for small and medium sized companies. It will also provide mechanical and electrical

workshops to meet the needs of the market. The leasing of this project will start at the beginning of the fourth quarter of 2019. Dara (A) project, which is located within Lusail area and includes 271 apartments ranging from one to three rooms and this project is in the final stages of delivery. Phase Two of proposed Al-Khor Sports Facilities project includes 516 apartments with a total construction area of 53,639 square meters in addition to a hypermarket and multi-purpose hall. The Barwa announced the award of the contract for the construction of phase two of the project during 2018 at a value of QR105mn. In addition, the development activities started in the third phase of the Madinat Al Mawater project at a construction cost of QR335mn, which Barwa Real Estate started to develop in 2019. The total area of construction in this phase is 167,072 square meters, including used car showrooms, Shops, workshops, an integrated car service center, a commercial vehicle spare parts complex, a dealership showroom, a hypermarket and a mosque. Barwa is currently working on the completion of designs and investment plans for many projects, which are expected to be tendered in 2019, including Barwa Al Baraha Project Phase Three, which includes residential apartments, shops and offices, in addition to a hypermarket, a clinic and a mosque. (QSE, Peninsula Qatar)

- MPHC's net profit declines ~92% YoY and QoQ in 2Q2019** – Mesaieed Petrochemical Holding Company's (MPHC) net profit declined ~92% YoY and QoQ to ~QR24mn in 2Q2019. MPHC reported a net profit of QR305mn for the half year ended June 2019 (1H2019). The first half net profit for 2019 is down by 54% of QR361mn compared to the corresponding period of the previous year. MPHC's earnings per share stood at QR0.024 for the first half of 2019 vs. QR0.053 in first half of 2018, taking into effect the stock split transaction mandated by Qatar Financial Markets Authority. The decrease in MPHC's profit for 1H2019 was due to reduction in selling prices in line with the drop in crude oil prices at the end of 2018. The group continued to benefit from the supply of competitively priced ethane feedstock and fuel gas under long-term supply agreements. These contracting arrangements are an important value driver for the group's profitability in a competitive market environment. The petrochemical segment's revenue for the six months stood at QR1.2bn, a decrease of 13% from previous year. The profit was QR379mn compared to the profit in the

corresponding period in the previous year of QR524mn. The revenue was impacted by the drop in selling prices compared to the previous year and the profit was impacted by higher operating costs. Production was down by 3% on the previous year and sales volumes were marginally up by 1% on the previous year. The chlor-alkali segment reported revenue of QR353mn, a decrease of 14% from previous year. The profit was QR73mn compared to the profit in the corresponding period in the previous year of QR65mn. Sales revenue was impacted by the decrease in sales volumes by 2% and decrease in selling prices by 12%. Production was lower by 5% from the previous year. The profit improved on previous year primarily due to the reduction in operating costs. The MPHIC's closing cash position after the first six months of operations in 2019 was a robust QR1.4bn. Total assets stood at QR14.6bn, compared to QR15.3bn as of at 31 December 2018. (QSE, Peninsula Qatar)

- **SIIS posts net profit of QR3.0mn in 2Q2019** – Salam International Investment Limited (SIIS) reported net profit of QR3.0mn in 2Q2019 as compared to net loss of QR4.4mn in 2Q2018 and net profit of QR5.6mn in 1Q2019. In 1H2019, SIIS reported a net profit of QR8.5mn as compared to net loss of QR12.7mn in 1H2018. The earnings per share amounted to QR0.007 in 1H2019 as compared to loss per share of QR0.011 in 1H2018. (QSE)
- **QOIS posts net profit of QR0.65mn in 2Q2019** – Qatar Oman Investment Company (QOIS) reported net profit of QR0.65mn in 2Q2019 as compared to net profit of QR0.04mn in 2Q2018 and net profit of QR3.38mn in 1Q2019. The company's net investment and interest income came in at QR1.66mn in 2Q2019, which represents an increase of 33.6% YoY. However, on QoQ basis, net investment and interest income fell 65.5%. In 1H2019, QOIS reported a net profit of QR4.03mn as compared to QR5.45mn in 1H2018. EPS amounted to QR0.012 in 1H2019 as compared to QR0.017 in 1H2018. (QSE)
- **ZHCD posts net profit of ~QR65mn in 2Q2019** – Zad Holding Company's (ZHCD) reported net profit of ~QR65mn in 2Q2019, which remained largely flat on YoY basis. However, on QoQ basis, net profit rose ~30%. In 1H2019, ZHCD reported a net profit of QR115.1mn as compared to QR114.8mn in 1H2018. EPS amounted to QR0.49 in 1H2019 as compared to QR0.48 in 1H2018. (QSE)
- **Qatar's real estate market sees rise in supply of outdoor retail space** – The supply of outdoor retail and F&B accommodation has been increasing in Qatar. Destinations such as Medina Centrale and La Croisette in The Pearl Qatar, Katara Cultural Village, and Souq Waqif now generate strong weekend footfall. Leading real estate advisor DTZ Qatar stated in its latest market report that the success of these developments has been supplemented by 'pop-up' F&B venues such as those at Qatar Sports Club, Duhail Sports Club, and Katara. The increasing popularity of outdoor F&B/leisure destinations has resulted in development proposals for a number of new projects in Lusail and Doha, as well as the expansion of Katara Cultural Village's retail and F&B offering, which is expected to open soon. To date, there is now an almost 1.4mn square meter of retail accommodation in 21 purpose-built malls across Qatar. This reflects a 120% increase in just four years, and is due largely to the opening of Qatar's two largest 'super-regional' shopping

centers, Mall of Qatar and Doha Festival City. The most recent addition to the retail landscape in Qatar is the mall at Katara Plaza, which is anchored by the luxury department store Galeries Lafayette. Four additional major destinations are also expected to open their doors in the next 12 months, including Doha Mall, Doha Souq, La Galleria at Msheireb, and Northgate Mall. (Peninsula Qatar)

- **Qatari investments in Russia hit around \$13bn, says official** – Amid strengthening political, economic, and cultural relations between Qatar and Russia, Qatar's investments in the Russian Federation are estimated at around \$13bn, according to an embassy official. Rashid bin Majid Awad Al-Suwaidi, First Secretary of the embassy of the State of Qatar in Russia, made the statement in a meeting with Qatar Chamber officials, who received a visiting Russia delegation. Citing the country's 19% share in Russian oil giant Rosneft, Al-Suwaidi noted that Qatar's investments have witnessed a "strong continuing in Russia." The meeting, led by Qatar Chamber's Assistant Director General for Government Relations Ali Busherbak Al-Mansouri, discussed Qatar's participation in the St. Petersburg International Economic Forum slated in Russia next year. Al-Suwaidi said the Russian delegation's visit to Doha aims to facilitate the participation of Qatar in the forum, which is attended by more than 20,000 participants and more than 1,000 Russian companies, as well as 500 companies from other participating countries. He noted that the importance of Qatar's participation in the forum lies in the signing of trade agreements and enhancing cooperation between participating Qatari companies and their counterparts from other countries. Al-Mansouri said the forum represents an important opportunity to discuss the strengthening of cooperation relations between the Qatari private sector and its Russian counterpart, in addition to reviewing the attractive investment climate in Qatar and promoting the Qatari economy and private sector projects. (Gulf-Times.com)
- **MERS to open new store at 'The Mall'** – Al Meera Consumer Goods Company (MERS) has signing a deal to open a new store at 'The Mall', under its ambitious expansion plans across Qatar, the company announced in a statement. MERS' upcoming branch at 'The Mall' is the latest addition to a number of store openings under its network. Since MERS set in motion its expansion plans in the market, the company has launched four additional branches – Al Khor, Aba Al Heran, Leabaib 1 and Azwagha – as well as two new convenient stores, 'MAAR' at the DECC (Doha Exhibition and Convention Centre) and Msheireb Metro stations in 2019. 'The Mall' branch will mark MERS' 54th store in Qatar. MERS expansion across the Qatari territory has been focused on both vital and underserved areas. (Qatar Tribune)

International

- **Emerging central banks keep slashing rates in July** – Emerging market central banks accelerated interest rate cuts in July, with policymakers rushing to trim benchmarks as major central banks including the US Federal Reserve and the European Central Bank adopted a more dovish tone. Interest rate moves by central banks across a group of 37 developing economies showed a net eight rate cuts last month - the largest number since March 2015. Some unexpected entrants such as South

Korea and Serbia joined the list. In June, developing market central banks recorded a net five rate cuts. The sixth month of net rate cuts follows a tightening cycle that ended in early 2019. Then, interest rate hikes by emerging market central banks outstripped or matched cuts for nine straight months as they battled the fallout from a strong Dollar, rising inflation and softer currencies. (Reuters)

- **US services sector slows; orders hit three-year low** – The US services sector activity slowed in July as new orders dropped to their lowest level in three years, suggesting the economy lost further momentum early in the third quarter. The report from the Institute for Supply Management (ISM) added to last week's data showing a slowdown in hiring and prolonged weakness in manufacturing in July. These reports, together with an escalation in the trade war between the US and China, suggest the Federal Reserve will cut interest rates again next month to sustain the 10-year economic expansion, the longest in history. The US central bank last week cut its short-term rate citing rising risks to the economy from trade tensions and weakening global growth. The ISM stated its non-manufacturing activity index fell 1.4 percentage points to a reading of 53.7. It was the second straight monthly decline in the index. A reading above 50 indicates expansion in the sector, which accounts for more than two-thirds of US economic activity. Economists polled by Reuters had forecasted the services index would slip to a reading of 55.5 in July. The ISM reported last week that factory activity slowed to a three-year low in July, noting that trade remains a significant issue. (Reuters)
- **US designates China as currency manipulator for first time in decades** – The US government has determined that China is manipulating its currency and will engage with the International Monetary Fund to eliminate unfair competition from Beijing, according to US Treasury Secretary, Steven Mnuchin. The move brings already tense US-Chinese relations to a boil and fulfils US President, Donald Trump's promise to label China a currency manipulator for the first time since 1994. The US action follows China allowing its Yuan to weaken past the key seven-per-Dollar level on Monday for the first time in more than a decade. Beijing later states it would stop buying US agricultural products, inflaming a year-long trade war with the US. (Reuters)
- **US banks tighten standards on commercial real estate, credit card loans** – The US banks left loan standards unchanged on commercial and industrial loans to large and mid-sized firms during the second quarter, even as they eased standards on such loans to smaller firms and eased most terms for all size firms, according to a survey of bank officers published. The US Federal Reserve's quarterly survey of senior loan officers also showed that lending standards on commercial and industrial loans are generally easier than has been typical in the period from 2005 until the present. That's notable because a rise in US business debt has raised red flags at the US central bank over financial stability vulnerabilities. Meanwhile, standards for commercial and real estate lending, as well as subprime credit card and auto loans, are tighter than has been the norm from 2005 to now, the survey showed. (Reuters)

- **UK services bounce fails to budge recession fears** – Britain's dominant services sector unexpectedly perked up in July, a major survey showed, but this did little to shift fears that Brexit risks and US-China trade tensions are pushing the economy close to recession. The IHS Markit/CIPS UK Services Purchasing Managers' Index (PMI) rose to a nine-month high of 51.4 from 50.2 in June, above all forecasts in a Reuters poll of economists that had pointed to an unchanged reading. Despite the improvement, the services PMI stands well below its long-run average and a composite PMI also including last week's weak manufacturing and construction numbers only just rose above the 50 mark that divides growth from contraction. Services account for about 80% of British economic output, though the UK PMI does not cover retailers or public services. A PMI for the Eurozone services sector fell short of expectations but still beat its British equivalent. (Reuters)
- **PMI: Eurozone factory sickness infecting services growth** – Eurozone's business growth hit a wall in July as demand crumbled, according to a survey which showed a deepening downturn in manufacturing is increasingly affecting the bloc's dominant services industry. Last month the European Central Bank all but promised to ease policy further as the bloc's growth outlook deteriorates and Monday's survey will do little to sway market expectations for loosening. IHS Markit's Euro Zone Composite Final Purchasing Managers' Index (PMI), considered a good measure of overall economic health, dropped to 51.5 in July from June's 52.2, moving closer to the 50 mark separating growth from contraction. (Reuters)
- **PMI: India services activity reverses course, surges in July** – India's services activity bounced back in July and expanded at the fastest pace in a year after contracting the previous month, driven largely by strong growth in international demand, a private survey showed. The IHS Markit Services Purchasing Managers' Index rose to a one year high of 53.8 in July, up from 49.6 in June and comfortably above the 50-mark that separates growth from contraction. "India's service economy showed renewed vigor in July as businesses and households welcome the recent government budget announcement. Encouragingly, service providers reported a widespread improvement in demand, from the public and private sectors as well as domestic and international markets," Pollyanna De Lima, principal economist at IHS Markit, said. A sub-index tracking overall demand showed new orders increased at the quickest pace in nearly three years, driven largely by foreign demand which expanded at the fastest pace since IHS began to measure it in September 2014. (Reuters)

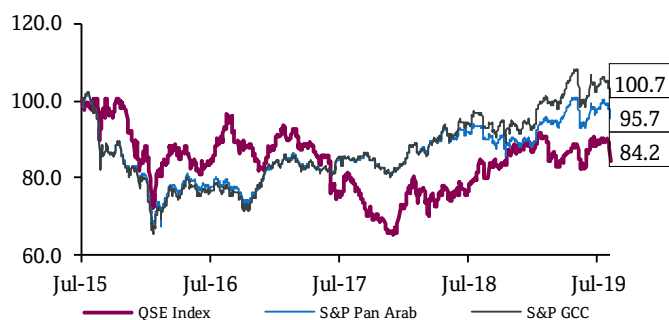
Regional

- **Saudi Arabia's July whole economy PMI at 56.6 vs. 57.4 in June 2018** – In a release by Emirates NBD and IHS Markit, the Purchasing Managers' Index (PMI) for Saudi Arabia's whole economy fell to 56.6 in July 2019 from 57.4 in June 2019 and 54.9 in July 2018. This is the lowest reading since February 2019. (Bloomberg)
- **BSFR's net profit falls 4.4% YoY to SR804mn in 2Q2019** – Banque Saudi Fransi (BSFR) recorded net profit of SR804mn in 2Q2019, registering decrease of 4.4% YoY. Total operating profit rose 2.5% YoY to SR1,706mn in 2Q2019. Total revenue for special commissions/investments rose 8.3% YoY to SR1,869mn

in 2Q2019. Total assets stood at SR186.6bn at the end of June 30, 2019 as compared to SR189.0bn at the end of June 30, 2018. Loans and advances stood at SR124.2bn (+1.2% YoY), while customer deposits stood at SR142.2bn (-3.1% YoY) at the end of June 30, 2019. EPS came in at SR1.43 in 2Q2019 as compared to SR1.58 in 2Q2018. (Tadawul)

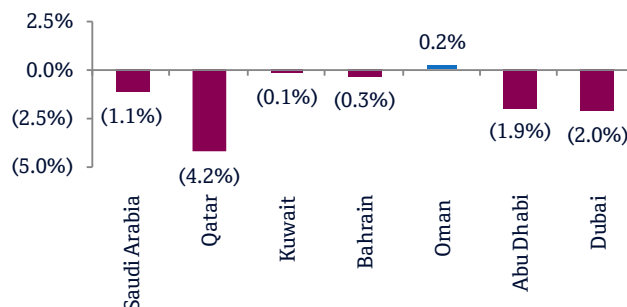
- **UAE's July whole economy PMI at 55.1 vs. 57.7 in June** – In a release by Emirates NBD and IHS Markit, the Purchasing Managers' Index (PMI) for UAE's whole economy fell to 55.1 in July 2019 from 57.7 in June 2019 and 55.8 in July 2018. This is the lowest reading since February 2019. (Bloomberg)
- **Ajman Bank posts 0.2% YoY rise in net profit to AED45.1mn in 2Q2019** – Ajman Bank recorded net profit of AED45.1mn in 2Q2019, an increase of 0.2% YoY. Income from Islamic financing and investing assets rose 20.7% YoY to AED246.9mn in 2Q2019. Net operating income rose 23.0% YoY to AED157.4mn in 2Q2019. Total assets stood at AED23.7bn at the end of June 30, 2019 as compared to AED22.6bn at the end of December 31, 2018. Islamic financing and investing assets (net) stood at AED16.8bn (+3.2% YTD), while Islamic customers' deposits stood at AED17.6bn (+2.4% YTD) at the end of June 30, 2019. EPS came in at AED0.021 in 2Q2019 as compared to AED0.027 in 2Q2018. (DFM)
- **Dubai's prime residential property prices fall in first half** – Dubai's prime residential property prices fell 1.9% in the first half of the year due to the market being oversupplied, real estate company Savills stated. The Middle East financial hub's real estate market has steadily contracted since mid-2014 as foreign investor interest cooled. Prime market prices declined 19.8% in the past five-years to \$600 a square foot “due to high levels of new build stock and global economic uncertainty,” Savills stated. Savills defines prime properties as those in the top 5% of the market by price, according to its website. Analysts say the overall market is down by at least a quarter since mid-2014. (Reuters)
- **Kuwait's June M1 money supply falls 3.7% MoM** – Central Bank of Kuwait (CBK) published data on monetary aggregates, which showed that Kuwait's June M1 money supply fell 3.7% MoM. The M1 aggregate rose 1.2% YoY. (Bloomberg)
- **Oman says asset sales to help cut reliance on debt markets** – Oman will use more asset sales to reduce its reliance on global bond markets to plug budget deficits. The country, which raised \$3bn from debt sales last month, “is not likely to return to the global bond market this year” as more privatization and asset sales produce positive results in late 2019 and 2020, Secretary General of the Ministry of Finance, Nasser Al-Jashmi said. He said that the budget shortfall will decline in 2019 for the third year in a row. “Oil prices have helped shrink the deficit, but we have slowed the growth of expenditure as well.” “The sale this year of a very small portion of Oman's real assets, a gas pipeline and stake in some upstream assets, generated over \$2bn in net proceeds for the government and Oman Oil Co, reducing our need to tap the bond market,” he added. (Gulf-Times.com)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 1.14x** – Bahrain sold BHD70mn of 91 day bills due on November 6, 2019. Investors offered to buy 1.14 times the amount of securities sold. The bills were sold at a price of 99.253, having a yield of 2.98% and will settle on August 7, 2019. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,463.78	1.6	1.6	14.1
Silver/Ounce	16.39	1.2	1.2	5.8
Crude Oil (Brent)/Barrel (FM Future)	59.81	(3.4)	(3.4)	11.2
Crude Oil (WTI)/Barrel (FM Future)	54.69	(1.7)	(1.7)	20.4
Natural Gas (Henry Hub)/MMBtu	2.02	(4.7)	(4.7)	(36.6)
LPG Propane (Arab Gulf)/Ton	41.13	(7.8)	(7.8)	(35.7)
LPG Butane (Arab Gulf)/Ton	43.25	(8.0)	(8.0)	(37.8)
Euro	1.12	0.9	0.9	(2.3)
Yen	105.95	(0.6)	(0.6)	(3.4)
GBP	1.21	(0.2)	(0.2)	(4.8)
CHF	1.03	0.9	0.9	0.8
AUD	0.68	(0.7)	(0.7)	(4.2)
USD Index	97.52	(0.6)	(0.6)	1.4
RUB	65.52	0.4	0.4	(6.0)
BRL	0.25	(2.1)	(2.1)	(2.3)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,097.32	(2.4)	(2.4)	11.3
DJ Industrial	25,717.74	(2.9)	(2.9)	10.2
S&P 500	2,844.74	(3.0)	(3.0)	13.5
NASDAQ 100	7,726.04	(3.5)	(3.5)	16.4
STOXX 600	369.43	(1.5)	(1.5)	7.1
DAX	11,658.51	(0.9)	(0.9)	8.2
FTSE 100	7,223.85	(2.4)	(2.4)	2.4
CAC 40	5,241.55	(1.3)	(1.3)	8.5
Nikkei	20,720.29	(1.1)	(1.1)	7.9
MSCI EM	973.00	(3.1)	(3.1)	0.7
SHANGHAI SE Composite	2,821.50	(3.2)	(3.2)	10.4
HANG SENG	26,151.32	(3.0)	(3.0)	1.1
BSE SENSEX	36,699.84	(3.0)	(3.0)	(0.1)
Bovespa	100,097.80	(4.6)	(4.6)	11.4
RTS	1,282.29	(0.8)	(0.8)	20.0

Source: Bloomberg (*\$ adjusted returns)

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