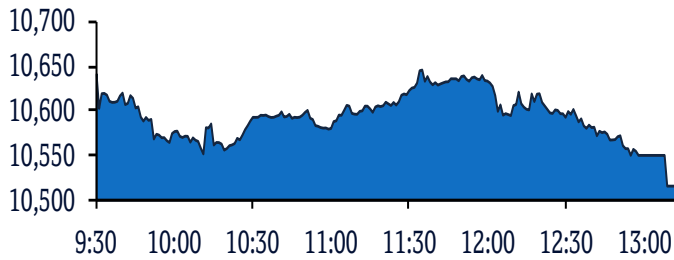


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 1.0% to close at 10,515.9. Losses were led by the Banks & Financial Services and Consumer Goods & Services indices, falling 2.3% and 1.6%, respectively. Top losers were QNB Group and Alijarah Holding, falling 4.3% and 3.4%, respectively. Among the top gainers, Qatari German Company for Medical Devices gained 5.4%, while Qatar General Insurance & Reinsurance Co. was up 3.4%.

GCC Commentary

Saudi Arabia: The TASI Index fell 1.6% to close at 8,941.5. Losses were led by the Telecomm. Services and Media & Entertainment indices, falling 2.8% each. Arabian Shield Coop. Insurance declined 4.7%, while Al Sagr Coop. Ins. was down 4.2%.

Dubai: The DFM Index fell 1.1% to close at 2,633.0. The Consumer Staples and Discretionary index declined 4.7%, while the Insurance index fell 2.4%. DXB Entertainments and Union Properties were down 5.6% each.

Abu Dhabi: The ADX General Index fell 0.5% to close at 4,963.7. The Real Estate index declined 3.8%, while the Energy index fell 2.8%. Abu Dhabi National Energy Co. declined 9.9%, while Abu Dhabi National Co. for Build. Mat. was down 9.2%.

Kuwait: The Kuwait Main Market Index gained 0.3% to close at 4,803.1. The Technology index rose 9.9%, while the Consumer Goods index gained 0.3%. Tamdeen Real Estate Co. rose 18.7%, while Tamdeen Investment Co. was up 16.8%.

Oman: The MSM 30 Index fell 1.1% to close at 3,918.5. Losses were led by the Industrial and Financial indices, falling 1.3% and 1.1%, respectively. Vision Insurance fell 7.3%, while Al Suwadi Power was down 5.1%.

Bahrain: The BHB Index fell 0.1% to close at 1,448.9. The Industrial index declined 0.7%, while the Investment index fell 0.3%. GFH Financial Group declined 3.8%, while Aluminium Bahrain was down 0.7%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	7.38	5.4	878.4	30.4
Qatar General Ins. & Reins. Co.	41.89	3.4	4.1	(6.7)
Doha Insurance Group	12.00	3.4	2.5	(8.3)
Gulf International Services	19.64	2.2	90.2	15.5
Qatar Industrial Manufacturing Co	38.50	1.3	19.8	(9.8)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
QNB Group	18.67	(4.3)	3,481.6	(4.3)
Qatar First Bank	0.42	0.0	2,520.6	2.9
Ezdan Holding Group	7.34	(0.4)	2,157.5	(43.5)
Qatar International Islamic Bank	7.32	(1.2)	1,968.0	10.7
The Commercial Bank	4.85	1.0	1,309.6	23.1

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,515.88	(1.0)	1.9	2.4	2.1	89.82	158,728.3	14.8	1.6	4.1
Dubai	2,633.00	(1.1)	0.5	0.5	4.1	56.28	95,385.6	11.7	1.0	4.7
Abu Dhabi	4,963.69	(0.5)	(0.8)	(0.8)	1.0	41.28	137,774.8	14.7	1.5	5.0
Saudi Arabia	8,941.54	(1.6)	5.0	5.0	14.2	1,186.39	563,739.2	20.5	2.0	3.2
Kuwait	4,803.10	0.3	0.7	1.4	1.4	136.18	33,100.3	14.6	0.9	3.8
Oman	3,918.49	(1.1)	(0.6)	(0.4)	(9.4)	7.08	17,027.1	7.7	0.8	7.0
Bahrain	1,448.90	(0.1)	1.0	1.1	8.3	5.96	22,499.6	10.6	0.9	5.2

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	13 June 19	12 June 19	%Chg.
Value Traded (QR mn)	328.5	335.1	(2.0)
Exch. Market Cap. (QR mn)	577,824.3	586,876.3	(1.5)
Volume (mn)	20.0	26.1	(23.4)
Number of Transactions	7,591	6,475	17.2
Companies Traded	45	45	0.0
Market Breadth	17:26	20:21	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,350.11	(1.0)	1.9	6.6	14.8
All Share Index	3,098.67	(1.3)	1.5	0.6	14.7
Banks	4,023.32	(2.3)	0.9	5.0	14.0
Industrials	3,312.45	(0.1)	3.0	3.0	16.7
Transportation	2,442.47	(0.1)	0.5	18.6	13.1
Real Estate	1,565.42	(0.4)	0.1	(28.4)	13.1
Insurance	3,153.85	(0.5)	2.7	4.8	18.2
Telecoms	920.21	0.2	3.2	(6.8)	18.9
Consumer	8,047.97	(1.6)	3.5	19.2	15.7
Al Rayan Islamic Index	4,088.19	(0.8)	1.7	5.2	14.0

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Comm. Bank of Kuwait	Kuwait	0.52	1.8	16.0	14.2
Alawwal Bank	Saudi Arabia	19.58	1.5	1,587.6	29.7
Boubyan Petrochem. Co.	Kuwait	0.91	1.1	325.9	(6.7)
The Commercial Bank	Qatar	4.85	1.0	1,309.6	23.1
Saudi British Bank	Saudi Arabia	41.70	1.0	826.1	27.7

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
DP World	Dubai	16.81	(5.0)	431.8	(1.7)
DAMAC Properties	Dubai	0.88	(4.6)	22,172.4	(41.7)
QNB Group	Qatar	18.67	(4.3)	3,481.6	(4.3)
Al Dar Properties	Abu Dhabi	1.82	(3.7)	5,424.2	13.8
Almarai Co.	Saudi Arabia	54.10	(3.6)	554.1	12.7

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%
QNB Group	18.67	(4.3)	3,481.6	(4.3)
Alijarah Holding	0.76	(3.4)	1,034.8	(13.5)
Masraf Al Rayan	36.50	(2.4)	564.0	(12.4)
Medicare Group	57.50	(2.1)	41.0	(8.9)
Gulf Warehousing Company	47.05	(2.0)	12.2	22.3

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.67	(4.3)	67,713.9	(4.3)
Qatar Fuel Company	215.80	(1.9)	45,113.7	30.0
Industries Qatar	117.05	(0.2)	30,154.5	(12.4)
Qatar Islamic Bank	176.15	0.1	28,880.3	15.9
Masraf Al Rayan	36.50	(2.4)	20,788.2	(12.4)

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index declined 1.0% to close at 10,515.9. The Banks & Financial Services and Consumer Goods & Services indices led the losses. The index fell on the back of selling pressure from Qatari and GCC shareholders despite buying support from non-Qatari shareholders.
- QNB Group and Alijarah Holding were the top losers, falling 4.3% and 3.4%, respectively. Among the top gainers, Qatari German Company for Medical Devices gained 5.4%, while Qatar General Insurance & Reinsurance Company was up 3.4%.
- Volume of shares traded on Thursday fell by 23.4% to 20.0mn from 26.1mn on Wednesday. Further, as compared to the 30-day moving average of 46.3mn, volume for the day was 56.8% lower. QNB Group and Qatar First Bank were the most active stocks, contributing 17.4% and 12.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	28.62%	45.64%	(55,913,603.95)
Qatari Institutions	13.55%	10.36%	10,463,627.54
Qatari	42.17%	56.00%	(45,449,976.41)
GCC Individuals	0.91%	1.33%	(1,382,554.30)
GCC Institutions	0.75%	1.70%	(3,130,747.44)
GCC	1.66%	3.03%	(4,513,301.74)
Non-Qatari Individuals	9.10%	9.39%	(949,994.74)
Non-Qatari Institutions	47.08%	31.58%	50,913,272.88
Non-Qatari	56.18%	40.97%	49,963,278.14

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06/13	US	Department of Labor	Initial Jobless Claims	8-June	222k	215k	219k
06/13	US	Department of Labor	Continuing Claims	1-June	1,695k	1,660k	1,693k
06/14	US	Federal Reserve	Industrial Production MoM	May	0.4%	0.2%	-0.4%
06/14	US	Federal Reserve	Manufacturing (SIC) Production	May	0.2%	0.2%	-0.5%
06/13	EU	Eurostat	Industrial Production SA MoM	April	-0.5%	-0.5%	-0.4%
06/13	EU	Eurostat	Industrial Production WDA YoY	April	-0.4%	-0.6%	-0.7%
06/13	Germany	German Federal Statistical Office	CPI MoM	May	0.2%	0.2%	0.2%
06/13	Germany	German Federal Statistical Office	CPI YoY	May	1.4%	1.4%	1.4%
06/14	France	INSEE National Statistics Office	CPI MoM	May	0.1%	0.2%	0.2%
06/14	France	INSEE National Statistics Office	CPI YoY	May	0.9%	1.0%	1.0%
06/14	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	April	0.6%	-	0.6%
06/14	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	April	-1.1%	-	-1.1%
06/14	China	National Bureau of Statistics	Industrial Production YoY	May	5.0%	5.4%	5.4%
06/14	China	National Bureau of Statistics	Industrial Production YTD YoY	May	6.0%	6.1%	6.2%

Source: Bloomberg (s.a. = seasonally adjusted; n.s.a. = non-seasonally adjusted; w.d.a. = working day adjusted)

Stock Split Dates for Listed Qatari Companies

Day / Date	Company Symbols			Sector
	1	2	3	
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			Consumer Goods & Services
Monday 17/06/2019	MERS	MCCS		
Tuesday 18/06/2019	WDAM	ZHCD	QGMD	
Wednesday 19/06/2019	QFLS	MCGS		
Thursday 20/06/2019	SIIS	QCFS		Industrial
Sunday 23/06/2019	MPHC	IGRD		
Monday 24/06/2019	QIGD	AHCS	QNCD	
Tuesday 25/06/2019	IQCD	QIMD		
Wednesday 26/06/2019	QEWS	GISS		Insurance
Thursday 27/06/2019	QISI	QATI		
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

- **QSE executes splits of share for DHBK** – Qatar Stock Exchange (QSE) announced that the split of shares for Doha Bank (DHBK) has been executed, effective from June 16, 2019. The new number of DHBK's shares after the split is 3,100,467,020 and the adjusted closing price is QR2.48 per share. QSE has also set price limits; (i) Price up limit: QR2.72 and (ii) Price down limit: QR2.24. (QSE)
- **QSE executes splits of share for QIBK** – Qatar Stock Exchange (QSE) announced that the split of shares for Qatar Islamic Bank (QIBK) has been executed, effective from June 16, 2019. The new number of QIBK's shares after the split is 2,362,932,000 and the adjusted closing price is QR17.61 per share. QSE has also set price limits; (i) Price up limit: QR19.37 and (ii) Price down limit: QR15.85. (QSE)
- **MARK's stock split from June 16** – Masraf Al Rayan (MARK) has announced that its stock split will be carried out after the end of trading session on June 16, 2019. Upon the instructions from the Qatar Financial Markets Authority, the nominal value of all listed shares on the QSE will be QR1 per share. The paid up capital will not change, while the book value per share will decrease due to the increase in the number of shares resulting from the split, with total shareholders' equity remaining unchanged. (Gulf-Times.com)
- **Issuance of building permits in Qatar increases** – Qatar's construction sector remains vibrant and resilient as building permits in the country continue to rise. Issuance of building permits has increased significantly since the beginning of this

year, according to Planning and Statistics Authority data. A total of 743 building permits were issued in April this year as compared to 662 permits issued in same month last year, showing a rise of 12%. In March this year, 713 building permits were issued against 712 permits in 2018. The rising trend was witnessed in February also as total 675 building permits were issued in the month, as compared to 640 permits showing a rise of 5.5%. In January this year 790 building permits were issued as against 677 permits in December 2018, showing a rise of 17%. (Peninsula Qatar)

- **World Bank: Higher gas prices, North Field production boost Qatar account surplus** – Qatar's current account surplus increased to 8.7% in third quarter of 2018, from less than 4% in 2017 due to higher gas prices and production from the North Field, the country's biggest gas repository, according to the World Bank. Qatar, the largest LNG exporter globally, had seen its goods export earnings rose by 25% in 2018, World Bank stated in its recent 'Economic Update'. The country's public finances have improved, supported by the recovery in energy prices, and Qatar is expected to post a small fiscal surplus in 2018, the first since 2014. (Gulf-Times.com)
- **E-visa system to attract more visitors to Qatar** – More foreign visitors are expected to visit Qatar with the launch of the new electronic visitor authorization system unveiled recently by the Ministry of Interior (MoI) and Qatar National Tourism Council (QNTC), according to Qatar Airways. The new system will enable residents of Qatar to invite family and relatives from around the world to visit the country during the 'Summer in Qatar (SiQ)' program and obtain a free visa upon arrival. "The

new electronic visitor authorization system helps solidify Qatar's ranking as the most open country in the region in terms of visa facilitation. The implementation of this system is a significant achievement for Qatar, as it streamlines the application process, enabling visitors of all nationalities to apply to enter our country and receive a free visa upon arrival," Qatar Airways Group's CEO, HE Akbar Al-Baker, who is also the secretary-general of QNTC, said. (Gulf-Times.com)

- **Commerce Minister: Qatar's GDP reaches \$225bn in 2018** – Qatar's GDP grew to \$225bn in 2018, said HE the Minister of Commerce & Industry, Ali bin Ahmed al-Kuwari, who noted that the annual real GDP growth rate at constant prices reached 1.4% in 2018, which is a "better-than-expected" rate. Qatar's foreign trade saw remarkable growth in 2018 with total trade increasing by 19% to reach \$116bn. Qatar's total exports also increased by 25% to reach \$84bn in 2018, resulting in a 40% increase in trade surplus, which reached \$53bn in 2018. Al-Kuwari said that international trade and investment form a key part of Qatar's future growth and diversification, noting that the US is one of Qatar's strategic and largest global partners. (Gulf-Times.com)
- **Lusail city stands as Qatar's number one future market** – On the podium of businesses and property investors, Lusail city, which is currently one of the largest master developments in the GCC, stands as Qatar's number one future market, according to Coreo Real Estate's Senior Property Consultant, Alexander Hartmann. In the Property Finder's Qatar Real Estate Market Report, Hartmann said due to its well thought through master plan, Lusail will become a vibrant and bustling hot spot that again will result in increased capital growth. He added, "The successful delivery of Lusail city is an important milestone for the country to achieve its ambitious plans for the Qatar National Vision 2030. Lusail will enhance and support the local economy as well as celebrate the region's unique cultural and geographical heritage". (Peninsula Qatar)
- **ORDS develops new AI technology sports platform** – Ooredoo (ORDS) has announced a new artificial intelligence (AI) technology sports platform developed in partnership with Microsoft, which will "revolutionize the way fans engage with their favorite sports". Ooredoo Sports will provide "a full set of features through a unique conversational AI experience, whereby fans will be able to engage with Ooredoo Sports and receive information on every game, team and player in Copa America 2019", the company said in a statement. (Gulf-Times.com)

International

- **US factory output posts first monthly growth of 2019** – The US manufacturing output rose in May, the first monthly gain this year, as an increase in the production of motor vehicles and parts countered declines in the making of metals and aerospace equipment. The Federal Reserve stated manufacturing production rose 0.2% last month, which was slightly higher than analysts in a Reuters poll had expected but only a partial recovery from the prior month's sharp decline. The data could give some respite to concerns that the US factory sector is sagging under the weight of a slowing global economy. The US manufacturing output had contracted in January, February and April. The outlook for the US manufacturing sector, which

accounts for about 12% of the economy, is also suffering as stimulus from last year's \$1.5tn tax cut package diminishes. Overall industrial output, which includes utilities and mining production, rose 0.4% in May. Utilities output rose 2.1% and mining production crept up 0.1%. Capacity utilization for the manufacturing sector, a measure of how fully firms are using their resources, edged higher to 75.7% last month from 75.6% in April. (Reuters)

- **Strong US retail sales improve economy's fortunes** – The US retail sales increased in May and sales for the prior month were revised higher, suggesting a pick-up in consumer spending that eased fears the economy was slowing down sharply in the second quarter. Retail sales rose 0.5% last month as households bought more motor vehicles and a variety of other goods, the government stated. Data for April was revised up to show retail sales gaining 0.3%, instead of dropping 0.2% as previously reported. (Reuters)
- **Eurozone's industry output drops again, dragged down by Germany** – Eurozone's industrial production fell for a second consecutive month in April due to a sharp decline in Germany and a slight fall in Italy, data showed. European Union statistics office Eurostat stated output in the 19 countries sharing the Euro dropped by 0.5% on the month, in line with market expectations, and by 0.4% YoY. The monthly fall in April followed a 0.4% decrease of the industrial production in March and a flat reading for February. Output was driven down by a 1.7% drop in durable consumer goods, more than reversing a pick-up in March. Germany, the Eurozone's largest economy, suffered a 2.3% drop, while output in Italy, the Eurozone's third largest economy, declined for a second straight month, by 0.7%. Production in France, the number two economy, rose by 0.4%. (Reuters)
- **EU tries to revive plan for financial transaction tax** – European Union's (EU) Finance Ministers have discussed a plan for a 0.2% tax on shares, which Germany sees close to be agreed, although further work remains to be done. Plans for an EU financial transaction tax (FTT) have stumbled over the past years. After an initial proposal in 2011 was blocked by member governments, a group of states pressed ahead, while the majority of the 28 EU states backed down. Only ten countries, including France, Germany, Greece, Italy and Spain - are still interested in the common tax. In a televised debate Germany's Finance Minister Olaf Scholz said a limited deal on a levy could be reached this autumn in order to apply the tax in 2021. The EU Commission supported his stance, but no other ministers took the floor in the debate on the matter during a meeting attended by representatives of all EU governments. The latest tax proposal would apply to purchases of shares in listed companies headquartered in the EU at a rate of 0.2% or more, according to a text prepared by the German government. (Reuters)
- **EU Ministers strike shaky compromise on Eurozone budget** – EU Finance Ministers agreed on the broad outlines of a Eurozone budget, a key reform pushed by Paris that was scaled back amid deep resistance from the Netherlands. French President, Emmanuel Macron had championed the idea of budget, seen by many as a missing pillar in the single currency bloc almost a decade after the debt crisis nearly led to it tumbling down.

However his original proposal has been toned down by opponents, led by the Dutch, with the sensitive question of financing left unresolved and put off to a later date. The Netherlands lead a group of richer northern Eurozone members that fear a joint budget would serve to transfer wealth towards crisis-prone countries such as Italy, Greece or Spain. Other officials were more cautious of the deal's reach, with EU Commissioner, Pierre Moscovici acknowledging that the deal was incomplete and limited. (Gulf-Times.com)

- **IMF proposes improvements to EU plan to develop capital market** - The International Monetary Fund (IMF) has proposed that the EU improve transparency, regulatory oversight and insolvency rules in its proposals to create a stronger capital market system, a senior IMF official said. On transparency, the fund was recommending instituting centralized, standardized and compulsory electronic reporting for all issuers rather than only large issuers as the current EU plans envisage. The fund is also recommending regulatory oversight to include "ex-post enforcement" to deter misconduct and be "deeply intrusive" for Central Counter Parties (CCPs) and complex investment funds important to the wider financial system. (Reuters)
- **Reuters' poll: Japan's May exports seen falling for sixth month as trade war escalates** – Japan's exports likely fell at a faster pace in May, down for the sixth straight month, as the US-China trade war takes a toll on the economy, a Reuters' poll showed. Bank of Japan (BoJ) is expected to keep its targets for short-term interest rates and its long-term government bond yield unchanged next week, according to the poll. Consumer prices, another key gauge for market watchers on policy, likely edged down in May, putting pressure on the BoJ as it remains far from achieving its elusive 2% inflation target. Exports in May are forecasted to have dropped 7.7% YoY, according to the poll of 16 economists, compared with a 2.4% contraction in April and the biggest drop since January. May imports are seen up 0.2% YoY after a revised 6.5% gain in April, resulting in a trade deficit of \$9.04bn, the poll showed. (Reuters)
- **China's May industrial output growth cools to 17-year low as trade war escalates** – China's economy flashed more warning signs in May as the US ramped up trade pressure, with industrial output growth unexpectedly slowing to a more than 17-year low and investment cooling, underlining a need for more stimulus. Industrial output grew 5.0% in May from a year earlier, data from the National Bureau of Statistics showed, and missing analysts' expectations of 5.5% and well below April's 5.4%. The reading was the weakest since early 2002, and exports were a major drag, showing only marginal growth. Fixed-asset investment also grew less than expected, reinforcing expectations that Beijing needs to roll out more growth measures soon. (Reuters)
- **China hikes anti-dumping duties on some US, EU steel tubes and pipes** – China stated it was raising anti-dumping duties on certain alloy-steel seamless tubes and pipes used at utilities and imported from the US and the European Union (EU). The anti-dumping tax rates applicable to the steel tubes and pipes are set between 57.9% and 147.8% on companies in the US and the EU, effective June 14, China's Ministry of Commerce stated. The new tariffs are as much as 10 times the previous rates of 13%-14.1%, which were imposed in 2014 and expired on May 10. The

increased steel tariffs come amid the escalating Sino-US trade dispute that involves hundreds of billions in goods passing between world's two largest economies. Tariffs on US steel extrusion firm Wyman-Gordon Forgings are at 101%, while those on all other US companies are 147.8%, the ministry stated. The decision to extend and raise the anti-dumping tariff follows a request from the Chinese domestic steel tubes and pipes sector, the ministry stated. (Reuters)

- **China's May property sales post biggest drop since October 2017** – China's property investment growth cooled in May and sales saw their biggest decline since October 2017, suggesting the frothy housing market may not be able to cushion the effects of a slumping manufacturing sector and intensifying trade tensions. Real estate investment, mainly focused on the residential sector but also including commercial and office space, is a major gauge of growth in the world's second-largest economy. China's property market has seen a recent resurgence as some local governments eased home purchase rules to boost economic activity, while Beijing's call for banks to ramp up lending and lower interest rates has also helped boost investor confidence. Property investment in May grew 9.5% from a year earlier, easing from a 12% gain in April and marking its slowest pace since December, according to Reuters' calculation based on National Bureau of Statistics data. It rose 11.2% on-year for the first five month, compared with a 10.2% increase in the same period last year and 11.9% in January-April. (Reuters)

Regional

- **IEA cuts 2019 estimate for oil demand growth on global trade worries** – The outlook for oil demand growth in 2019 has dimmed due to worsening prospects for world trade, the International Energy Agency (IEA) stated, although stimulus packages and developing countries should boost growth going into 2020. The Paris-based IEA, which coordinates the energy policies of industrial nations, revised down its 2019 demand growth estimate by 100,000 barrels to 1.2mn barrels per day (bpd), but stated that it will climb to 1.4mn bpd for 2020. "The main focus is on oil demand as economic sentiment weakens. The consequences for oil demand are becoming apparent," the IEA stated in its monthly oil report. "The worsening trade outlook is a common theme across all regions", it added. The oil demand growth forecast assumes the maintenance of US and Chinese tariffs imposed on goods in 2018, but the IEA stated that it has not factored in further US tariffs announced in May. The IEA also attributed lackluster demand growth in the first half of the year to a slowdown in the petrochemicals industry in Europe, warmer than average weather in the northern hemisphere and stalled US gasoline and diesel demand. (Reuters)
- **Nikkei: OPEC and Russia nearing accord on long term oil supply coordination** – OPEC and other producers including Russia are in final talks for an agreement, that may be signed in early July, to cooperate on oil supplies on a long-term basis, Japan's Nikkei reported, citing Russian Energy Minister, Alexander Novak. He also told the Nikkei that discussions with OPEC on moving the date of the meeting to early July from the originally-planned dates of June 25-26 were nearly finalized. The OPEC, Russia and other producers have since January 1 implemented a deal to cut output by 1.2mn barrels per day to support prices. The alliance,

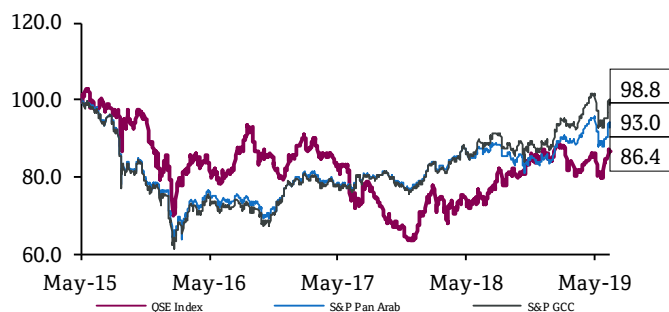
known as “OPEC+”, was due to meet on June 25-26 or in early July to decide whether to extend the pact. A proposal to create a formal body was abandoned earlier this year after the US Congress started moves to legislate against cartels in the oil industry. But the Nikkei stated that the group was trying to make OPEC+ a permanent framework under an accord to be signed at the next meeting. The report did not state whether Russia is willing to agree to extend the agreement on output reduction. (Reuters)

- **OPEC warns rising trade tensions are hurting global demand for oil** – OPEC stated that international trade tensions are hurting demand for oil, slashing its estimates for consumption earlier in the year and predicting further challenges ahead. OPEC, due to meet in the coming weeks to set production levels for the second half, stated that demand increased by less than 1mn bpd in the first quarter after cutting its assessment by more than 20%. The world economy is headed for its weakest growth in a decade, buffeted by a prolonged tariff battle between the US and China. “Throughout the first half of this year, ongoing global trade tensions have escalated,” resulting in “weaker growth in global oil demand,” OPEC’S Vienna-based secretariat said in its monthly report. “The observed slowdown in the global economy in the first half will be further challenged in the second half. (Gulf-Times.com)
- **Saudi Arabia’s Energy Minister says hopes to balance oil market before next year** – Saudi Arabia’s Energy Minister, Khalid Al-Falih said that he hopes oil producers will be able to balance the oil market before next year. “We hope that we will balance the market before next year. We are working on it,” he said, when asked about the current oil market situation. He said earlier this month that the OPEC is close to agreeing to extend a pact on cutting oil supplies beyond June, although more talks were still needed with non-OPEC countries that were part of the production deal. (Reuters)
- **Foreign Direct investment in Saudi Arabia rose 126% YoY in 2018** – The Foreign Direct Investment (FDI) in Saudi Arabia rose 126% YoY in 2018, recording \$3.209bn, according to a report released by the United Nations Conference on Trade and Development (UNCTAD). The Kingdom’s efforts for economic diversification prioritize FDI, as evidenced by the launch of a group of new non-hydrocarbon projects, the report added. Saudi Arabia’s total FDI in other countries rose to \$21.219bn in 2018, compared to \$7.28bn a year earlier. The GCC country’s FDI abroad quadrupled in the last eight years, registering \$105.656bn last year. UNCTAD’s report revealed that total FDI in the GCC went up to \$17.38bn in 2018 as compared to \$16.55bn in 2017. (Zawya)
- **Exxon Mobil and SABIC to start construction of \$9bn petrochemical plant in Texas** – Exxon Mobil Corp and Saudi Basic Industries Corp stated that they will start construction of a \$9bn petrochemical plant in Texas in the third quarter that will have the world’s largest ethane processing capacity. The 50/50 joint venture, called Gulf Coast Growth Ventures, will have the ability to produce 1.8mn metric tons a year, and will house a monoethylene glycol unit and two polyethylene units, the companies stated. The project, located north of Corpus Christi, is expected to be operational by 2022. Building the world’s largest steam cracker on the doorstep of rapidly

growing Permian production gives this project significant scale and feedstock advantages, Exxon Mobil CEO, Darren Woods said. Oil producers and refiners see petrochemicals as a growing market for their crude as demand for motor fuels is expected to plateau with the advent of electric cars and more efficient homes and offices. The project is expected to create more than 600 permanent jobs, the companies stated, adding that the facility will produce materials used in the manufacturing of various consumer products such as automotive coolants, packaging and construction materials. Construction of the project will be led primarily by Wood Group, McDermott & Turner Industries Group, Chiyoda & Kiewit, Mitsubishi Heavy Industries and Zachry Group, according to the statement. (Reuters)

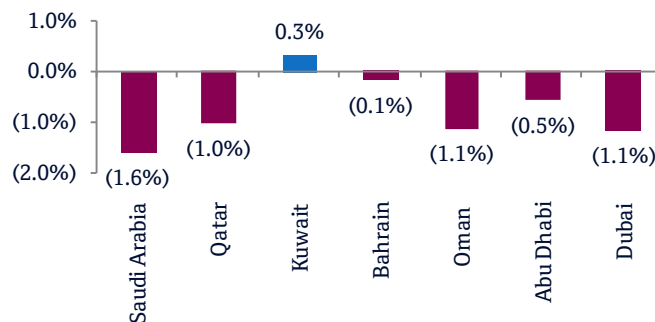
- **Saudi Arabia’s Crown Prince expects Aramco IPO in 2020-2021** – Saudi Arabia is committed to selling shares in Saudi Aramco as soon as next year, Crown Prince, Mohammed Bin Salman said. “We are committed to the Aramco IPO, given the proper circumstances and the right time, and as I said before I expect it will be between 2020 and early 2021,” he said. (Bloomberg)
- **ADNOC and OCI in talks to combine Middle East fertilizer assets** – Abu Dhabi National Oil Company (ADNOC) and Dutch chemical producer OCI NV are in advanced talks to combine their Middle Eastern fertilizer businesses, sources said. An agreement between the state-owned energy company and OCI could be announced as soon as the coming days, the sources said. “OCI continually considers strategic initiatives regarding its portfolio, including possible partnerships,” OCI stated. “In this context, OCI confirms that it is in discussions with ADNOC on a possible cooperation relating to each company’s MENA fertilizer assets. There can be no assurance that any transaction will ultimately take place.” Any transaction would add to the \$122bn of chemical-related deals announced this year, data compiled by Bloomberg showed. (Bloomberg)
- **Kuwait Projects Company seeks to raise \$313mn from new share issue** – Kuwait Projects Company is seeking to raise \$313mn from a rights issue share offering. The investment firm plans to issue 452.7mn shares at KD210 fils apiece, the company stated. The offering period is scheduled to be from June 27 to July 17. The offer price includes a nominal value of KD100 fils per share and a premium of KD110 fils per share. (Bloomberg)
- **Bahrain’s BBK to plan tapping bond market for \$500mn** – Bahraini bank BBK plans to raise about \$500mn from a bond sale to support growth, according to sources. The lender, formerly known as Bank of Bahrain and Kuwait, may tap the market within weeks, sources said. The offering will be the second out of Bahrain this year after the country’s sovereign wealth fund Mumtalakat Holding Company raised \$600mn from Islamic bonds in February. BBK last sold Dollar bonds in 2015 when it raised \$400mn in five-year notes, according to data compiled by Bloomberg. The lender has a ‘B2’ rating from Moody’s, five notches below investment grade, according to data compiled by Bloomberg. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,341.85	(0.0)	0.1	4.6
Silver/Ounce	14.86	(0.3)	(1.0)	(4.1)
Crude Oil (Brent)/Barrel (FM Future)	62.01	1.1	(2.0)	15.3
Crude Oil (WTI)/Barrel (FM Future)	52.51	0.4	(2.7)	15.6
Natural Gas (Henry Hub)/MMBtu	2.37	(1.3)	(2.5)	(25.6)
LPG Propane (Arab Gulf)/Ton	43.88	5.7	4.8	(31.4)
LPG Butane (Arab Gulf)/Ton	39.88	4.9	13.9	(42.6)
Euro	1.12	(0.6)	(1.1)	(2.3)
Yen	108.56	0.2	0.3	(1.0)
GBP	1.26	(0.7)	(1.2)	(1.3)
CHF	1.00	(0.5)	(1.1)	(1.7)
AUD	0.69	(0.6)	(1.8)	(2.5)
USD Index	97.57	0.6	1.1	1.5
RUB	64.39	(0.3)	(0.7)	(7.6)
BRL	0.26	(1.2)	(0.4)	(0.3)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,130.95	(0.3)	0.2	13.1
DJ Industrial	26,089.61	(0.1)	0.4	11.8
S&P 500	2,886.98	(0.2)	0.5	15.2
NASDAQ 100	7,796.66	(0.5)	0.7	17.5
STOXX 600	378.81	(1.0)	(0.8)	9.8
DAX	12,096.40	(1.2)	(0.7)	12.2
FTSE 100	7,345.78	(1.0)	(1.0)	7.9
CAC 40	5,367.62	(0.7)	(1.1)	11.1
Nikkei	21,116.89	0.3	0.7	7.3
MSCI EM	1,015.08	(0.7)	0.8	5.1
SHANGHAI SE Composite	2,881.97	(1.0)	1.7	14.8
HANG SENG	27,118.35	(0.6)	0.7	5.0
BSE SENSEX	39,452.07	(1.1)	(1.1)	9.2
Bovespa	98,040.06	(2.2)	(0.9)	10.8
RTS	1,341.05	(0.4)	1.1	25.5

Source: Bloomberg (*\$ adjusted returns)

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