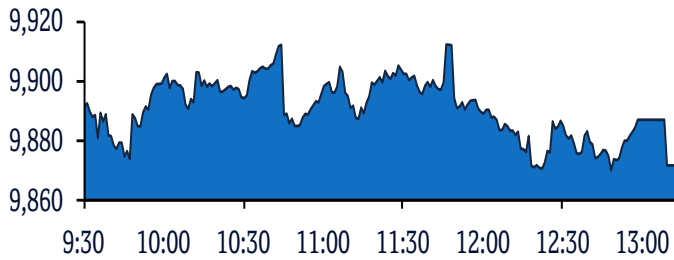


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.1% to close at 9,871.9. Gains were led by the Real Estate and Insurance indices, gaining 1.9% and 0.4%, respectively. Top gainers were Qatar General Insurance & Reinsurance Company and Al Khaleej Takaful Insurance Company, rising 10.0% and 3.5%, respectively. Among the top losers, Ahli Bank fell 7.3%, while Mannai Corporation was down 3.2%.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.7% to close at 8,621.9. Gains were led by the Telecom. Services and Media & Ent. indices, rising 4.1% and 3.0%, respectively. Saudi Fisheries Co. rose 9.9%, while Ash-Sharqiyah Development Co. was up 9.6%.

Dubai: The DFM Index fell 0.3% to close at 2,575.0. The Real Estate & Const. index declined 0.8%, while the Services index fell 0.5%. International Financial Advisors declined 10.0%, while Arabtec Holding was down 7.0%.

Abu Dhabi: The ADX General Index fell 1.2% to close at 4,719.3. The Telecommunication index declined 1.7%, while the Banks index fell 1.4%. Sharjah Islamic Bank declined 2.8%, while First Abu Dhabi Bank was down 2.1%.

Kuwait: The Kuwait Main Market Index gained 0.2% to close at 4,761.5. The Banks index rose 1.9%, while the Real Estate index gained 0.4%. Tamdeen Investment Company rose 11.3%, while Al-Massaleh Real Estate Company was up 9.9%.

Oman: The MSM 30 Index gained 0.8% to close at 3,858.9. Gains were led by the Services and Industrial indices, rising 0.8% and 0.4%, respectively. Oman National Engine. Invt. rose 6.2%, while Ooredoo was up 4.4%.

Bahrain: The BHB Index fell 0.6% to close at 1,399.6. The Investment index declined 0.9%, while the Commercial Banks index fell 0.7%. Investcorp Bank declined 4.3%, while GFH Financial Group was down 2.1%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	41.08	10.0	0.1	(8.5)
Al Khaleej Takaful Insurance Co.	14.80	3.5	9.0	72.3
Qatar Islamic Insurance Company	52.90	3.3	0.5	(1.5)
Mesaieed Petrochemical Holding	25.87	2.9	2,926.6	72.1
Barwa Real Estate Company	33.70	2.3	315.7	(15.6)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	8.91	2.2	3,849.4	(31.4)
Mesaieed Petrochemical Holding	25.87	2.9	2,926.6	72.1
Qatar Aluminium Manufacturing	10.33	0.3	2,146.5	(22.6)
Qatar First Bank	4.31	(0.5)	1,430.2	5.6
Aamal Company	8.32	2.1	765.4	(5.9)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,871.87	0.1	(1.5)	(4.9)	(4.1)	106.23	150,990.7	13.9	1.5	4.4
Dubai	2,575.01	(0.3)	(3.7)	(6.9)	1.8	43.55	93,569.5	11.2	1.0	5.2
Abu Dhabi	4,719.26	(1.2)	(6.6)	(10.2)	(4.0)	53.13	132,281.2	13.7	1.4	5.3
Saudi Arabia	8,621.85	1.7	(2.7)	(7.3)	10.2	1,196.49	538,144.2	19.7	1.9	3.5
Kuwait	4,761.52	0.2	(1.4)	(1.4)	0.5	156.25	32,913.3	14.5	0.9	4.0
Oman	3,858.87	0.8	(0.1)	(2.2)	(10.8)	2.89	16,902.9	8.0	0.8	7.1
Bahrain	1,399.58	(0.6)	(2.6)	(2.4)	4.7	1.92	21,671.5	10.2	0.9	5.4

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

Market Indicators	16 May 19	15 May 19	%Chg.
Value Traded (QR mn)	388.5	456.3	(14.9)
Exch. Market Cap. (QR mn)	549,656.6	549,374.5	0.1
Volume (mn)	16.7	24.7	(32.3)
Number of Transactions	9,688	9,847	(1.6)
Companies Traded	45	45	0.0
Market Breadth	23:19	30:12	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,165.08	0.1	(1.5)	0.1	13.9
All Share Index	2,966.94	0.2	(2.3)	(3.6)	14.1
Banks	3,727.07	(0.1)	(3.4)	(2.7)	13.0
Industrials	3,127.32	(0.3)	0.9	(2.7)	15.7
Transportation	2,358.56	0.1	(3.2)	14.5	12.7
Real Estate	1,702.53	1.9	(4.1)	(22.2)	14.2
Insurance	3,059.78	0.4	(3.6)	1.7	17.7
Telecoms	886.43	(0.3)	(3.5)	(10.3)	18.2
Consumer	8,038.57	0.0	1.8	19.0	15.7
Al Rayan Islamic Index	3,886.64	0.0	(0.2)	0.0	13.3

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Telecom Co.	Saudi Arabia	103.00	5.1	1,864.8	14.2
Ooredoo	Oman	0.47	4.4	30.3	(17.3)
Saudi Cement Co.	Saudi Arabia	68.40	4.0	527.7	40.9
Almarai Co.	Saudi Arabia	57.00	3.8	653.3	18.8
National Bank of Kuwait	Kuwait	0.96	3.3	4,027.7	21.0

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Int. Petrochemical	Saudi Arabia	21.38	(2.7)	921.3	7.1
GFH Financial Group	Dubai	0.85	(2.2)	18,748.4	(5.7)
First Abu Dhabi Bank	Abu Dhabi	13.70	(2.1)	7,182.8	(2.8)
Advanced Petrochem. Co.	Saudi Arabia	57.00	(1.7)	664.2	12.9
Saudi Arabian Mining Co.	Saudi Arabia	53.00	(1.7)	1,692.7	7.5

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%
Ahli Bank	27.80	(7.3)	0.1	9.2
Mannai Corporation	41.50	(3.2)	21.1	(24.5)
Qatar National Cement Company	61.72	(2.6)	14.8	3.7
Gulf Warehousing Company	45.80	(2.6)	4.5	19.1
Qatari German Co for Med. Dev.	5.86	(2.0)	18.7	3.5

QSE Top Value Trades	Close*	1D%	Vol. '000	YTD%
Mesaieed Petrochemical Holding	25.87	2.9	75,086.2	72.1
QNB Group	175.50	(0.3)	61,636.7	(10.0)
Qatar Fuel Company	215.98	(0.0)	52,875.3	30.1
Ezdan Holding Group	8.91	2.2	35,255.8	(31.4)
Industries Qatar	109.11	(1.3)	22,578.2	(18.3)

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index rose 0.1% to close at 9,871.9. The Real Estate and Insurance indices led the gains. The index rose on the back of buying support from Qatari and GCC shareholders despite selling pressure from non-Qatari shareholders.
- Qatar General Insurance & Reinsurance Company and Al Khaleej Takaful Insurance Company were the top gainers, rising 10.0% and 3.5%, respectively. Among the top losers, Ahli Bank fell 7.3%, while Mannai Corporation was down 3.2%.
- Volume of shares traded on Thursday fell by 32.3% to 16.7mn from 24.7mn on Wednesday. However, as compared to the 30-day moving average of 13.4mn, volume for the day was 24.9% higher. Ezdan Holding Group and Mesaieed Petrochemical Holding Company were the most active stocks, contributing 23.0% and 17.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	34.60%	33.90%	2,729,077.83
Qatari Institutions	21.25%	15.02%	24,172,232.18
Qatari	55.85%	48.92%	26,901,310.01
GCC Individuals	0.70%	0.72%	(107,099.46)
GCC Institutions	1.07%	0.48%	2,318,652.55
GCC	1.77%	1.20%	2,211,553.09
Non-Qatari Individuals	9.41%	9.74%	(1,284,909.80)
Non-Qatari Institutions	32.98%	40.14%	(27,827,953.30)
Non-Qatari	42.39%	49.88%	(29,112,863.10)

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

Ratings, Earnings Releases and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
United Arab Bank	Fitch	Abu Dhabi	LT-IDR/VR		BBB+/b+	-	Stable	-

Source: News reports (* LT – Long Term, IDR – Issuer Default Rating, VR – Viability Rating)

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2019	% Change YoY	Operating Profit (mn) 1Q2019	% Change YoY	Net Profit (mn) 1Q2019	% Change YoY
Makkah Construction and Dev. Co.	Saudi Arabia	SR	96.0	-3.0%	44.0	-8.3%	48.0	2.1%
Dubai Islamic Insurance & Reins. Co.	Dubai	AED	69.1	27.8%	-	-	-0.9	N/A
Islamic Arab Insurance Company	Dubai	AED	358.0	25.2%	-	-	18.0	9.1%
Union Properties	Dubai	AED	103.0	-11.1%	-	-	1.7	-99.0%
SHUAA Capital	Dubai	AED	55.4	67.0%	-	-	-24.9	N/A
International Financial Advisors Holding [#]	Dubai	AED	12.9	43.2%	-	-	-4,206.7	N/A
FOODCO Holding	Abu Dhabi	AED	56.5	-49.4%	-	-	-31.7	N/A
Abu Dhabi National Company for Building Materials	Abu Dhabi	AED	17.0	-9.8%	-	-	10.9	N/A
Al Wathba national Insurance Co.	Abu Dhabi	AED	91.4	12.1%	-	-	14.1	-47.6%

Source: Company data, DFM, ADX, MSM, TASI, BHB. ([#]Values in '000)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05/16	US	Department of Labor	Initial Jobless Claims	11-May	212k	220k	228k
05/16	US	Department of Labor	Continuing Claims	4-May	1660k	1673k	1688k
05/17	EU	Eurostat	CPI Core YoY	April	1.3%	1.2%	1.2%
05/17	EU	Eurostat	CPI MoM	April	0.7%	0.7%	1.0%
05/17	EU	Eurostat	CPI YoY	April	1.7%	1.7%	1.7%
05/16	France	INSEE National Statistics Office of France	ILO Unemployment Rate	1Q2019	8.7%	8.7%	8.8%
05/16	Japan	Bank of Japan	PPI MoM	April	0.3%	0.2%	0.3%
05/16	Japan	Bank of Japan	PPI YoY	April	1.2%	1.1%	1.3%

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	QIHK	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: Strong demand growth, clean energy properties motivate Qatar to boost LNG production capacity** – Strong growth in LNG demand and its role in supporting the transition to a low-carbon energy system is what motivates Qatar to expand its LNG production capacity, QNB Group has stated in an economic commentary. This increase in capacity will require huge investments in both onshore and offshore, including the construction of four new LNG mega trains to process the gas. The increase will boost Qatar's LNG capacity from 77mn tons per year currently to 110mn tons, QNB Group stated. Beyond the direct impact on hydrocarbon GDP, this new investment phase, which should begin from 2020 onwards, will generate "substantial multiplier effects" for the wider economy. Qatar's increase in LNG production will also help the environment. In addition to lower CO2 emissions, LNG has low particle emissions, low nitrogen oxide emissions and is low in sulphur emissions, making it a 'much cleaner' energy source that causes 'less air pollution' than any other fossil fuel. "The concept of environmental sustainability is becoming more prominent in both Qatar's public and private sectors. This has prompted the development of new initiatives in several state-owned and private companies. As a major fossil fuel exporter and one of the wealthiest countries in the world, Qatar is seeking to do its fair share by reducing domestic greenhouse gas emissions and

developing climate adaptation plans," QNB group stated. Policymakers face a difficult challenge: how to satisfy the world's increasing demand for energy, while at the same time attempting to reduce greenhouse gas 'emissions'. (Gulf-Times.com)

- GWCS lifts 180 ton auxiliary boiler for QAFCO at Mesaieed Port** – Gulf Warehousing Company (GWCS) recently completed the transport of a 180-ton auxiliary boiler on behalf of Qatar Fertiliser Company (QAFCO), shipping it from Italy through to Mesaieed Port to the client location. With a mass of nearly 740 cubic meters (dimensions: 10.90 x 7.22 x 9.36 meters), the boiler is a highly delicate piece of machinery despite its large size, GWCS stated. After careful planning and coordination, the company performed the lift at Mesaieed port, placing it on a specialized trailer, and then transporting it through a pre-plotted course after completing clearance for the shipment, the logistics provider stated. Project Logistics department has gained extensive experience in planning and procurement, making GWCS the 'front-runner' in providing turnkey project logistics solutions. The company stated its specialized single-point control system allows for full coordination of the project from source to destination, offering 24/7 online tracking of cargo. A risk management team oversees operations to assure safety compliance is being adhered to at every step. (Gulf-Times.com)

- **Qatar's April Consumer Prices fall 0.4% YoY; rise 0.5% MoM** – Ministry of Development Planning and Statistics has published consumer price indices for April. In April rate of change in general index fell -0.4% YoY vs. -1.31% in the previous month. Prices rose 0.5% MoM in April vs. unchanged in previous month. Price index for transport rose 3.2% MoM, food and beverages and housing & utilities fell 1.42% and 0.34% MoM, respectively. (Bloomberg)
- **OBG: Ashghal total expenditure focused on roads and highways until 2023** – Some 85% of Ashghal's total anticipated expenditure of QR45bn will be spent on local roads and highways over the five years from 2019 through to 2023, a report by Oxford Business Group (OBG) has showed. Qatar has worked diligently to develop an extensive road network, with Ashghal announcing in April 2018 that the country's total road length more than tripled from 1,700km in 2013 to 6,000km by the end of 2018, OBG stated in its 'The Report: Qatar 2019'. This expansion has largely taken place under Ashghal's 'Expressway Programme' for the development of 800km of expressways, and the "Local Roads and Drainage Programme" to lay 4,000km of smaller roads and install drain infrastructure. In the 2019 Qatari budget, QR49.4bn (or 24%) of total projected spending was allocated to infrastructure, transportation and communication, with significant portions of this going towards road and rail projects. The 2019 funding represents the continuation of a trend stretching back to 2013 that has seen the government outlay upwards of 20% of its total annual budget on infrastructure, OBG noted. (Gulf-Times.com)
- **Doha Bank receives Bizz Award for digital era sustainable development** – Doha Bank has received the Bizz Award at The Bizz Europe 2019 event, held in Amsterdam, recently, the bank stated. The bank was presented with the Glory Trophy, one of the highest distinctions given by the World Confederation of Businesses. The award recognizes the career and steady growth of leading companies. The award was received by Doha Bank's CEO, R. Seetharaman, who was also honored with the 'World Leader in Finance' award for his professional achievements in the finance sector in the region. (Qatar Tribune)
- **QC: 'World Cup projects not affected by the blockade** – The opening of the Al Wakrah Stadium, which is one of the venues for the upcoming FIFA World Cup 2022 three years before the global event, highlights Qatar is moving steadily towards hosting the world's biggest sporting event in the best possible manner, Qatar Chamber's (QC) Chairman, Sheikh Khalifa bin Jassim Al Thani has said. In a press statement, he added that all World Cup projects being implemented in the country were not affected by the blockade imposed on the State two years ago, and added that the projects were going as planned without any delay. The inauguration of Al Wakrah Stadium as the second stadium to be completed for the World Cup after the Khalifa International Stadium is a reflection of the success of Qatar's economic plans, and the country moving in the right direction towards achieving its goals in hosting the World Cup, he added. He also said the Qatari private sector is proud to participate in the World Cup projects as part of the directives of HH the Amir Sheikh Tamim bin Hamad Al Thani, and the efforts made by the Qatari government, which provided all facilities for Qatari companies to actively participate in the World Cup projects.

QC's Director General, Saleh bin Hamad Al Sharqi, also said, "The opening of Al Wakrah Stadium in a record time and ahead of the start of the FIFA World Cup 2022 as the first stadium to be fully constructed to host the tournament is considered a great achievement and proof of the readiness of the country and its preparation for the World Cup". Al Sharqi also stressed unequivocally that the unjust blockade imposed on Qatar did not affect in any way the major projects implemented by the State, noting that the opening of the World Cup stadium comes a few days after the opening of the Doha Metro's Red Line South, which was also opened ahead of schedule. (Peninsula Qatar)

- **Tenders awarded to two firms to set up factories for producing organic fertilizers** – The Ministry of Municipality and Environment has awarded tenders to two local companies for the establishment of two factories for producing organic fertilizers with a production capacity of 24,000 tons, said an official. "The contracts will be signed soon and the production will be within 15 months to achieve self-sufficiency of the state in this field," according to Masoud Jarullah Al Marri, Executive Secretary of the Committee for Monitoring the Implementation of Food Security Policies in the Public and Private Sector of Qatar. (Peninsula Qatar)

International

- **Reuters poll: US recession risk rises as US-China trade tensions heat up** – Over the last month the US-China trade war has boosted the risk of a US recession, say a strong majority of economists polled by Reuters, who now put the chances of that happening in the next two years at 40%. That is up from a median 35% in last month's poll, the first time it had dipped slightly from where it held since December last year, before a crushing sell-off on Wall Street as 2018 came to a close, in part because of those worries. US President Donald Trump has dismissed the ongoing trade war with China as a "little squabble," but there are clear signs of the conflict already having an impact on the economy, and the stock market has become jittery again. While only a single-digit percentage of respondents say a US recession is likely in the coming year, more than one-quarter of economists polled see a greater than 50% probability of recession within two years. The most pessimistic call for the probability of a recession in one year also has crept up, from 60% to 70%. The US economy is forecast to have already lost considerable momentum, slowing to 2.0% in the current quarter from 3.2% in the first three months of the year, according to median forecasts from the latest monthly poll of 120 economists. That forecast for April-June is a sharp downgrade from 2.5% in last month's poll, owing in part to the unexpectedly strong figure reported for January-March. Growth is forecast to slow to 1.8%, below trend, by the fourth quarter of 2020. The impact of the trade war is already being felt on the economy, with retail giants like Walmart Inc warning shoppers that prices will rise due to higher tariffs on Chinese imports. Nearly 75% of economists, or 52 of 70, who answered an additional question on what the US-China trade war developments this month had done to the risks of a US recession said they had increased. (Reuters)
- **US services data suggests downward revision to first-quarter GDP** – US economic growth for the first quarter is likely to be

revised lower after data on Friday suggested less consumer spending and investment in intellectual property products than initially estimated. The findings of the Commerce Department's quarterly services survey, or QSS, come on the heels of data this week showing growth in manufacturing inventories in the first quarter was not as robust as initially estimated. Before the QSS data, economists had expected that GDP growth for the January-March quarter would be trimmed to an annualized pace of 3.0% from a 3.2% rate. Based on the QSS data, economists at JPMorgan and Action Economics estimated an additional one-tenth of a percentage point would be subtracted from the GDP estimate. That suggests first-quarter GDP could be trimmed to a 2.9% rate when the Commerce Department's Bureau of Economic Analysis publishes its revision later this month. (Reuters)

- **US lifts tariffs on Canadian, Mexican metals in boost for trade pact** – The US struck deals on Friday to lift tariffs on steel and aluminum imports from Canada and Mexico, the three governments said, removing a major obstacle to legislative approval of a new North American trade pact. The separate agreements, which will not impose US quotas on Canadian and Mexican metals shipments, will also eliminate Mexican and Canadian retaliatory tariffs on a broad range of US products, including pork, beef and bourbon. The US and Canada said their agreement will be implemented by Sunday afternoon, and includes new curbs aimed at preventing dumped steel and aluminum from China and other countries from entering the US market via Canada. President Donald Trump had imposed the global 'Section 232' tariffs of 25% on steel and 10% on aluminum in March 2018 on national security grounds, invoking a 1962 Cold War-era trade law. (Reuters)
- **US weekly jobless claims fall more than expected** – The number of Americans filing applications for unemployment benefits fell more than expected last week, pointing to sustained labor market strength that should underpin the economy as growth slows. Initial claims for state unemployment benefits dropped 16,000 to a seasonally adjusted 212,000 for the week ended May 11, the Labor Department stated on Thursday. Data for the prior week was unrevised. Claims had been stuck at higher levels for three straight weeks, reflecting difficulties stripping out seasonal fluctuations from the data around moving holidays like Easter, Passover and school spring breaks. Economists polled by Reuters had forecast claims would fall to 220,000 in the latest week. (Reuters)
- **Britain raised FX warchest ahead of first Brexit deadline** – Britain ramped up its foreign currency reserves in the last quarter of 2018 at a faster pace than any other major country, ahead of its original March 29 deadline to leave the European Union (EU), according to data from the International Monetary Fund. The reserves jumped by 19%, or \$23.2bn, to \$137.31bn, the highest since 1998, according to Refinitiv Eikon data, although they have subsequently fallen back to stand at \$119.44bn as of April. US reserves, by comparison, were little changed in the last quarter of 2018, while those held by the Swiss Central Bank declined marginally. A distant second was the Turkish central bank, which has been grappling with a weaker lira currency and whose foreign exchange reserves rose by less than 10%. Britain was due to leave the EU on March 29,

before that deadline was eventually extended to October 31. London has still not sealed a withdrawal agreement, raising the prospect of a disorderly break with the world's biggest trading bloc that could disrupt business and trade. (Reuters)

- **Eurozone April inflation confirmed at 1.7%, core rate revised up** – Eurozone prices rose by 1.7% in April, EU statistics agency Eurostat confirmed on Friday, while slightly revising upwards its estimates for core inflation. Eurostat stated consumer prices in the 19-nation Eurozone were 1.7% higher YoY, the same level as the flash estimate published on May 3, from 1.4% in March. The acceleration offers some mild relief to the European Central Bank (ECB), which targets inflation of just below 2%, although the jump was likely related to the later timing of Easter this year. MoM, Eurozone prices increased by 0.7%, as markets had expected, from 1.0% in March. The core indicator watched closely by the ECB for its monetary policy decisions, which excludes volatile energy and food prices, rose to 1.4% in April on the year from 1.0% in March. (Reuters)
- **Ministers see deal in June on future Eurozone budget** – Eurozone finance ministers failed on Thursday to resolve all differences over the financing of a future budget for the 19 countries sharing the Euro, but their Chairman Mario Centeno expressed confidence they would reach a deal in June. The future Eurozone budget is to be part of the next EU-wide long-term budget starting in 2021. It is aimed at making Eurozone economies more competitive and getting them more in sync with each other, rather than at stabilizing them during economic downturns. While limited in its role for now, such a budget was a milestone in Eurozone integration, Centeno has said. The budget's size will be set by Eurozone leaders "in the context" of the EU budget, or multiannual financial framework (MFF). That vague phrase leaves leeway for leaders' decisions. Officials said France and Germany have agreed to finance the Eurozone budget with a mix of money from the bigger EU budget and dedicated taxes such as the financial transaction tax - called assigned revenues. France has also been pushing for a tax on digital economy. (Reuters)
- **IMF urges German banking sector to accelerate restructuring** – The International Monetary Fund (IMF) on Friday urged Germany's banks to speed up their restructuring plans to become more profitable and reduce risks. The comments come after Deutsche Bank and Commerzbank ended merger talks in April. German government officials had pushed for a tie-up to create a national banking champion and end questions over the future of both banks, which have struggled to recover since the financial crisis. The IMF stated the life insurance sector - which has been struggling to pay out on life insurance policies in an era of historically low interest rates - needed to speed up its move away from conventional guaranteed-return products to other kinds of products. The IMF also stated Germany's short-term growth outlook remained good but Europe's largest economy faced major risks including a worsening of trade tensions, a further China slowdown, a disorderly Brexit and more trouble in the Eurozone. It urged the German government to reform its tax system to promote growth, saying that the combination of greater tax relief for households and wage growth - would boost consumption, helping rebalance the economy. (Reuters)

- **Reuters poll: Japan April exports seen down for fifth month as US-China trade war deepens** – Japan’s exports likely contracted for a fifth straight month in April as the US-China trade war raged, adding to pressure on its struggling economy, a Reuters poll of economists showed on Friday. Separately a leading indicator of capital expenditure due next week is forecast to have fallen slightly in March, raising concerns that companies could cut business investment as the dispute between Japan’s biggest trading partners drags on. Other data is expected to show consumer prices edged higher in April, but remained distant from the Bank of Japan’s elusive 2% inflation target. Overall, the data are expected to paint a picture of a sluggish economy that may require more stimulus from the central bank or the government if global trade flows continue to weaken. On Monday, separate data is expected to show Japan’s economy contracted slightly in the first quarter as exports, consumer spending and investment faltered due to the trade war. Exports are forecast to have declined 1.8% in April from a year earlier, according to the median forecast in the poll of 15 economists, after a 2.4% annual decline in March. Japan and many other export-reliant economies have suffered collateral damage in the 10-month-long Sino-US trade war, which has disrupted global supply chains and weighed on business confidence. (Reuters)
- **Kuroda says BoJ may keep low rates well over year, dismisses debt monetization** – The Bank of Japan (BoJ) may maintain ultra-low rates for a further period of well over a year, Governor Haruhiko Kuroda said on Friday, but warned against the idea of propping up the economy through unlimited money-printing to finance government spending. The BoJ last month modified its forward guidance, or a pledge on how it will guide future monetary policy, to say it will maintain current very low interest rates at least until the spring of 2020. Kuroda said while Japan’s economy continues to expand moderately, global growth was showing signs of weakness and hurting exports, output and manufacturers’ business sentiment. Despite the darkening economic outlook, Kuroda dismissed the idea floated by some US academics to print money unlimitedly to bank-roll government debt for fiscal spending - a concept dubbed “Modern Monetary Theory” (MMT). After years of heavy asset buying failed to drive up inflation to its 2% target, the BoJ revamped its policy framework to one targeting interest rates from the pace of money printing in 2016. Under a policy dubbed yield curve control (YCC), the BoJ now pledges to guide short-term interest rates at minus 0.1% and the 10-year government bond yield around zero percent. (Reuters)
- **China central bank to cut funding costs amid US trade row** – China’s central bank stated on Friday it will help reduce borrowing costs for companies, especially small firms, as part of a wider effort to support the world’s second-largest economy amid a trade war with the US. The People’s Bank of China (PBoC), the central bank, said in its first-quarter implementation report that it would also maintain a prudent monetary policy and fend off any systemic financial risks. The central bank said it would fine-tune its policy in line with changes in the economy and prices and work to improve its policy transmission mechanism. The PBoC has cut banks’ reserve requirement ratios (RRRs) six times since early 2018, including a targeted cut this month, to spur lending, and more policy easing is widely expected. The weighted average lending

rate for companies and home buyers edged up 5 basis points in the first quarter to 5.69%, the central bank said. The lending rate fell 28 basis points in the fourth quarter, it said. The PBoC had previously issued a weighted average lending rate for non-financing firms. China’s economy still faces downward pressure, the central bank, adding that it has ample policy tools to cope with domestic and external uncertainties. The central bank also reiterated that it will keep the yuan stable. (Reuters)

Regional

- **Saudi Arabia's Falih sees no oil shortage, however OPEC will act if needed** – Saudi Arabia’s Energy Minister, Khalid Al-Falih said that he saw no oil supply shortage as global oil inventories are still rising, particularly from the US, however OPEC will be responsive to the oil market’s needs. He told Reuters that OPEC will not decide on output until late June when the group is due to meet next. “I am not sure there is a supply shortage, but we will look at the (market) analysis. We will definitely be responsive and the market will be supplied, but all indications are that inventories are still rising. We saw the data from the US week after week, and they are massive increases, so there is obviously supply abundance,” he said. (Reuters)
- **Saudi Arabia to supply an extra 2mn barrels/month to Indian Oil Corp from July** – Saudi Aramco will supply state-run Indian Oil Corp Ltd (IOC) an extra 2mn barrels of crude a month from July to December, an IOC Executive said, as India seeks to make up for a loss in supplies from Iran. Saudi Arabia has approached Indian buyers last month offering them additional supplies to compensate for lost Iranian oil after US sanctions kicked in. IOC has a term deal to buy 5.6mn tons from Saudi Aramco in the financial year 2019/20 that started on April 1 and an option to buy additional 2mn tons. “We have told them we will be taking 2mn barrels every month for six months from July (about 1.6mn tons in total) and they have agreed,” IOC Finance Director, A. K. Sharma said. (Reuters)
- **SABB shareholders approve merger with Alawwal Bank** – Shareholders of Saudi British Bank (SABB) have approved the proposed merger of SABB and Alawwal bank by way of a merger pursuant to Articles 190 to 193 of the Companies Law, through the issuance of 0.48535396 new SABB shares for every share in Alawwal bank subject to the terms and conditions of the merger agreement between SABB and Alawwal bank dated October 3, 2018G (the "Merger Agreement"). In addition, the approval of the following matters relating to the Merger: (a) Approve the terms and conditions of the Merger Agreement entered into between SABB and Alawwal bank on October 3, 2018G. (b) Approve the increase of the share capital of SABB from SR15,000,000,000 to SR20,547,945,220, subject to the terms and conditions of the Merger Agreement and with effect from the effective date, pursuant to the companies law and the merger agreement. (Tadawul)
- **UAE's Marka shareholders vote to wind it down after losses** – Shareholders of Marka, the loss-making Dubai-based retail and dining company, voted to wind it down. Investors approved the motion at the company’s general assembly meeting, according to a regulatory filing. Marka’s shares have been suspended since May 2018. The company operates several retail and restaurant brands in the UAE. Marka raised \$75mn from an Initial Public Offering (IPO) in 2014. The company has never

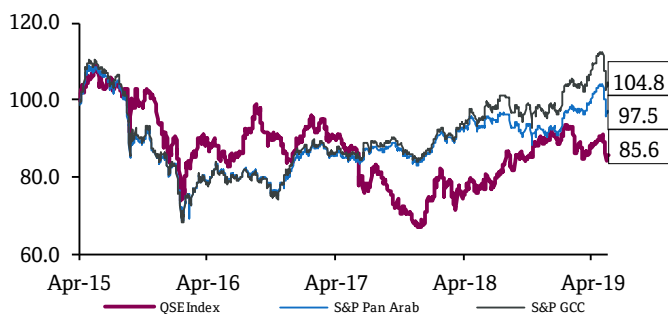
reported a profit, according to data compiled by Bloomberg. (Bloomberg)

- **Dubai free zone to refund \$354mn in fees to spur economy** – Dubai’s main port and biggest free zone authority plans to return \$354mn in cash and bank guarantees to its clients in an effort to stimulate the broader economy. Jebel Ali Free Zone will start refunding companies operating in its jurisdiction in September. Jafza, as the economic zone is known, stated that the move will help companies invest in their operations and strengthen their businesses. The free zone stated that it has contributed over 33% of Dubai’s economy in 2017. (Bloomberg)
- **Moody’s affirms ‘A1’ ratings on Union National Bank’s senior notes transferred to Abu Dhabi Commercial Bank; withdraws remaining ratings on Union National Bank** – Moody’s Investors Service (Moody’s) has affirmed the ‘A1’ senior unsecured (foreign) rating on Union National Bank’s (UNB) three outstanding notes (\$600mn senior unsecured notes due in 2021; \$300mn senior unsecured floating rate notes due in 2022; and \$500mn senior unsecured notes due in 2023) whose rights and obligations were transferred to Abu Dhabi Commercial Bank (ADCB) upon legal completion of its merger with UNB on May 1, 2019. The outlook on ADCB’s new senior unsecured (foreign) rating for the three transferred senior bonds remains ‘Stable’. Concurrently, Moody’s has withdrawn all other remaining ratings of UNB. Moody’s has affirmed the ‘A1’ senior unsecured (foreign) rating on the three senior notes, transferred the ‘A1’ senior unsecured (foreign) rating on the three senior notes from UNB to ADCB, and withdrawn the other ratings of UNB to reflect the legal completion of the merger between ADCB and UNB on May 1, 2019. Following the completion of the merger, all assets and liabilities of UNB have been transferred to ADCB, and UNB has ceased to exist as a legal entity. (Moody’s)
- **Dana Gas announces its inclusion in the MSCI Emerging Markets Small Cap Index** – Dana Gas, the Middle East’s largest regional private sector natural gas company, has announced about its inclusion in the Morgan Stanley Capital International (MSCI) for Global Small Cap Indexes, effective May 27, 2019. CEO of Dana Gas, Patrick Allman Ward said that “the inclusion of Dana Gas in MSCI’s Emerging Markets Small Cap Index puts the company firmly on the radar of institutional investors. Gaining representation in the index is testament to the progress we have made over the last year, specifically with regard to the successful settlement award in Kurdistan Region of Iraq and also the two completed projects in 2018 which increased our production substantially and will add \$50mn to our revenue this year.” (ADX)
- **Infrastructure spending to drive Bahrain’s GDP growth** – Bahrain’s economic growth in the near term will be shaped by the conflicting forces of fiscal consolidation under the Fiscal Balance Program (FBP) and infrastructure investment, according to a government assessment. The Finance and National Economy Ministry’s Bahrain Economic Quarterly report for the first quarter of this year stated that substantial infrastructure investments will continue to drive GDP growth. In particular, the hydrocarbons sector is seeing the implementation of an unprecedented investment pipeline of projects, led by the Bapco Modernization Program, the largest single infrastructure project in Bahrain’s history. Work is also

progressing on the development of the new offshore oil and deep gas reserves. In the manufacturing sector, Alba Line 6 is now active and will be scaling up to full capacity towards the middle of 2019. This will boost the sector’s growth and national exports. On the other hand, the oil sector is expected to remain static during 2019. (Zawya)

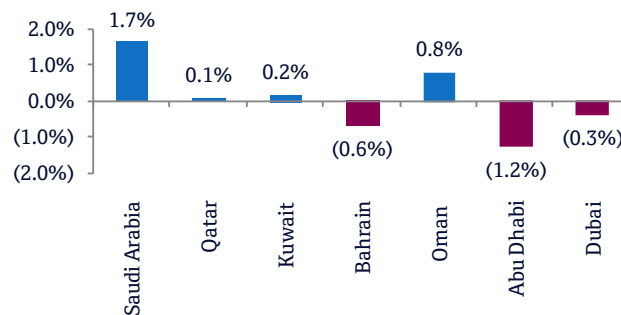
- **Investcorp partners with Dock Square Capital for Stakes business** – Bahrain’s Investcorp Bank is teaming up with Dock Square Capital, the merchant bank started by former Florida Governor Jeb Bush, to help with its business of taking Stakes in alternative investment managers. Investcorp will use Dock Square’s network to help identify potential investments for its Strategic Capital Group (SCG), the companies stated. SCG will take minority equity stakes in mid-sized money managers such as private equity, real estate, infrastructure, private credit and hedge fund firms. Bush will serve on SCG’s advisory board and Dock Square will have an economic interest in the performance of the SCG business, according to Investcorp’s Anthony Maniscalco. Dock Square has “deep relationships” with general partners built over decades, he said. “I’m confident they will be a good partner to help build and execute our business,” he added. In addition to aiding Investcorp with its investment ideas, Dock Square will help the managers Investcorp has backed with their own investments, as well as sourcing new deals, he said. The partnership will give Coral Gables, Florida-based Dock Square the opportunity to selectively co-invest alongside SCG in general partnerships, according to sources. Investcorp is seeking to raise between \$500mn and \$1bn for the Strategic Capital Partners I fund, which will close in the coming months, Bloomberg reported. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,277.55	(0.7)	(0.7)	(0.4)
Silver/Ounce	14.41	(1.0)	(2.5)	(7.0)
Crude Oil (Brent)/Barrel (FM Future)	72.21	(0.6)	2.3	34.2
Crude Oil (WTI)/Barrel (FM Future)	62.76	(0.2)	1.8	38.2
Natural Gas (Henry Hub)/MMBtu	2.61	(2.6)	2.8	(18.1)
LPG Propane (Arab Gulf)/Ton	58.50	(4.3)	(6.0)	(7.9)
LPG Butane (Arab Gulf)/Ton	53.75	(5.3)	(7.7)	(23.2)
Euro	1.12	(0.1)	(0.7)	(2.7)
Yen	110.08	0.2	0.1	0.4
GBP	1.27	(0.6)	(2.1)	(0.2)
CHF	0.99	(0.1)	0.1	(2.9)
AUD	0.69	(0.3)	(1.9)	(2.6)
USD Index	98.00	0.1	0.7	1.9
RUB	64.77	0.2	(0.5)	(7.1)
BRL	0.24	(1.3)	(3.4)	(5.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,116.51	(0.4)	(0.5)	12.3
DJ Industrial	25,764.00	(0.4)	(0.7)	10.4
S&P 500	2,859.53	(0.6)	(0.8)	14.1
NASDAQ 100	7,816.29	(1.0)	(1.3)	17.8
STOXX 600	381.51	(0.5)	0.5	10.1
DAX	12,238.94	(0.7)	0.8	13.1
FTSE 100	7,348.62	(0.6)	(0.3)	9.1
CAC 40	5,438.23	(0.3)	1.4	12.1
Nikkei	21,250.09	0.8	(0.7)	6.6
MSCI EM	996.39	(1.5)	(3.6)	3.2
SHANGHAI SE Composite	2,882.30	(3.0)	(3.3)	14.9
HANG SENG	27,946.46	(1.2)	(2.1)	7.9
BSE SENSEX	37,930.77	1.2	0.8	4.2
Bovespa	89,992.73	(2.2)	(7.9)	(3.3)
RTS	1,254.68	(0.5)	3.4	17.4

Source: Bloomberg (*\$ adjusted returns)

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