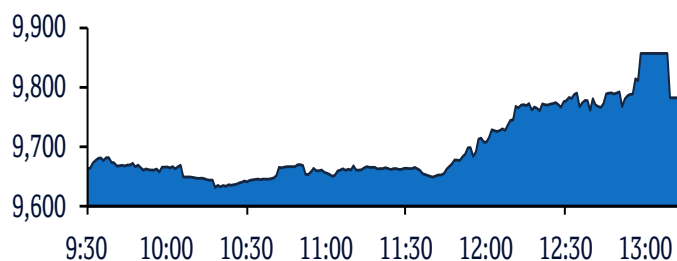


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.9% to close at 9,783.6. Gains were led by the Banks & Financial Services and Consumer Goods & Services indices, gaining 2.7% and 0.7%, respectively. Top gainers were Qatar Islamic Bank and Medicare Group, rising 8.7% and 5.1%, respectively. Among the top losers, Mesaieed Petrochemical Holding Company fell 9.5%, while Mannai Corporation was down 4.8%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.3% to close at 8,382.0. Gains were led by the Insurance and Food & Beverages indices, rising 2.8% and 2.0%, respectively. Saudi Steel Pipe Company rose 10.0%, while Savola Group was up 5.9%.

**Dubai:** The DFM Index fell 0.3% to close at 2,575.0. The Services index declined 1.2%, while the Real Estate & Const. index fell 0.7%. Almadina for Finance and Investment Co. declined 8.9%, while International Fin. Advisors was down 4.6%.

**Abu Dhabi:** The ADX General Index gained 0.1% to close at 4,779.2. The Energy index rose 2.0%, while the Consumer Staples index rose 1.9%. AL KHALEEJ Investment rose 14.7%, while International Holdings Company was up 5.3%.

**Kuwait:** The Kuwait Main Market Index gained 0.3% to close at 4,734.1. The Consumer Goods index rose 2.6%, while the Banks index gained 1.0%. Livestock Transport & Trading Co. rose 8.9%, while AAN Digital Services Co. was up 7.8%.

**Oman:** The MSM 30 Index fell 0.2% to close at 3,864.7. The Financial index declined 0.4%, while the other indices ended in green. Oman United Insurance fell 4.8%, while Bank Dhofar was down 4.3%.

**Bahrain:** The BHB Index gained 0.2% to close at 1,413.1. The Commercial Banks index rose 0.4%, while the Services index gained 0.1%. GFH Financial Group rose 0.8%, while Ahli United Bank was up 0.6%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Islamic Bank	162.00	8.7	121.2	6.6
Medicare Group	59.98	5.1	16.1	(4.9)
Zad Holding Company	123.99	3.1	4.6	19.2
Qatar First Bank	4.16	2.7	599.6	2.0
Investment Holding Group	5.52	2.6	328.0	12.9

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Mesaieed Petrochemical Holding	25.50	(9.5)	4,888.9	69.7
Masraf Al Rayan	34.10	0.0	4,114.9	(18.2)
Ezdan Holding Group	7.67	(4.0)	3,372.3	(40.9)
Salam International Inv. Ltd.	4.08	1.5	876.5	(5.8)
Qatar Aluminium Manufacturing	10.10	1.2	840.9	(24.3)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,783.56	0.9	0.5	(5.7)	(5.0)	153.55	148,110.5	13.7	1.5	4.5
Dubai	2,575.04	(0.3)	(0.6)	(6.9)	1.8	33.87	93,718.2	11.2	1.0	5.2
Abu Dhabi	4,779.22	0.1	0.0	(9.1)	(2.8)	29.67	133,809.3	13.9	1.4	5.2
Saudi Arabia	8,381.97	0.3	(1.7)	(9.9)	7.1	984.19	525,872.9	19.1	1.9	3.6
Kuwait	4,734.14	0.3	0.3	(2.0)	(0.1)	74.37	32,753.1	14.3	0.9	4.0
Oman	3,864.65	(0.2)	(0.3)	(2.1)	(10.6)	2.30	16,886.7	7.5	0.8	7.1
Bahrain	1,413.12	0.2	0.3	(1.5)	5.7	6.86	21,901.6	10.3	0.9	5.3

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	27 May 19	26 May 19	%Chg.
Value Traded (QR mn)	561.9	297.2	89.1
Exch. Market Cap. (QR mn)	539,171.7	537,359.7	0.3
Volume (mn)	19.2	10.3	86.4
Number of Transactions	11,714	6,927	69.1
Companies Traded	43	41	4.9
Market Breadth	15:23	8:31	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,002.58	0.9	0.5	(0.8)	13.7
All Share Index	2,903.81	0.6	0.3	(5.7)	13.8
Banks	3,683.54	2.7	2.4	(3.9)	12.8
Industrials	3,122.97	(2.1)	(1.7)	(2.9)	15.7
Transportation	2,298.38	(0.3)	(1.4)	11.6	12.3
Real Estate	1,564.04	(1.7)	(2.2)	(28.5)	13.1
Insurance	3,035.66	0.1	(0.0)	0.9	17.5
Telecoms	861.52	(1.5)	(2.2)	(12.8)	17.7
Consumer	7,738.75	0.7	(0.8)	14.6	15.1
Al Rayan Islamic Index	3,862.33	0.4	0.2	(0.6)	13.2

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Qatar Islamic Bank	Qatar	162.00	8.7	121.2	6.6
Savola Group	Saudi Arabia	31.40	5.9	1,189.0	17.2
Bupa Arabia for Coop. Ins.	Saudi Arabia	89.50	5.3	301.9	10.5
Co. for Cooperative Ins.	Saudi Arabia	68.00	4.8	339.9	12.8
Saudi Ind. Inv. Group	Saudi Arabia	24.88	4.0	457.2	8.7

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Arabian Mining Co.	Saudi Arabia	45.00	(9.5)	4,464.3	(8.7)
Bank Dhofar	Oman	0.13	(4.3)	45.0	(14.9)
DP World	Dubai	17.10	(3.4)	80.1	0.0
Qurain Petrochemical Ind.	Kuwait	0.37	(3.4)	3,103.1	3.1
Ooredoo	Qatar	60.23	(2.4)	33.7	(19.7)

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%
Mesaieed Petrochemical Holding	25.50	(9.5)	4,888.9	69.7
Mannai Corporation	39.99	(4.8)	6.1	(27.2)
Ezdan Holding Group	7.67	(4.0)	3,372.3	(40.9)
Al Khaleej Takaful Insurance Co.	14.56	(2.9)	49.8	69.5
Ooredoo	60.23	(2.4)	33.7	(19.7)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Masraf Al Rayan	34.10	0.0	140,347.4	(18.2)
Mesaieed Petrochemical Holding	25.50	(9.5)	132,020.6	69.7
Qatar Fuel Company	205.00	1.0	91,743.1	23.5
QNB Group	170.50	2.2	36,015.7	(12.6)
Ezdan Holding Group	7.67	(4.0)	26,153.7	(40.9)

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index rose 0.9% to close at 9,783.6. The Banks & Financial Services and Consumer Goods & Services indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Qatar Islamic Bank and Medicare Group were the top gainers, rising 8.7% and 5.1%, respectively. Among the top losers, Mesaieed Petrochemical Holding Company fell 9.5%, while Mannai Corporation was down 4.8%.
- Volume of shares traded on Monday rose by 86.4% to 19.2mn from 10.3mn on Sunday. Further, as compared to the 30-day moving average of 13.3mn, volume for the day was 43.6% higher. Mesaieed Petrochemical Holding Company and Masraf Al Rayan were the most active stocks, contributing 25.5% and 21.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	22.72%	23.72%	(5,625,834.03)
Qatari Institutions	14.89%	21.33%	(36,176,585.26)
<b>Qatari</b>	<b>37.61%</b>	<b>45.05%</b>	<b>(41,802,419.29)</b>
GCC Individuals	0.50%	23.17%	(127,407,106.24)
GCC Institutions	3.46%	0.61%	16,043,832.00
<b>GCC</b>	<b>3.96%</b>	<b>23.78%</b>	<b>(111,363,274.24)</b>
Non-Qatari Individuals	7.36%	5.67%	9,545,666.64
Non-Qatari Institutions	51.07%	25.51%	143,620,026.89
<b>Non-Qatari</b>	<b>58.43%</b>	<b>31.18%</b>	<b>153,165,693.53</b>

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

## Ratings

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Sharjah Islamic Bank	S&P	Abu Dhabi	LT-FIC/ LT-LIC	BBB+/ BBB+	A-/ A-	↑	Stable	-
Gulf International Bank	Moody's	Bahrain	ABCA/ BCA	ba1/ ba1	ba2/ ba2	↓	Stable	-
Kuwait Finance House	Moody's	Kuwait	BCA/ ABCA/LT-DCD / LT-FCD/ST-DCD/ ST-FCD	ba1/ A1/A1/ P-1/P-1	baa3/ baa3/ A1/A1/ P-1/P-1	↑	Stable	-

Source: News reports (LT – Long Term, ST – Short Term, FIC – Foreign Issuer Credit, LIC – Local Issuer Credit, ABCA – Adjusted Baseline Credit Assessment, BCA – Baseline Credit Assessment, DCD – Domestic Currency Deposit Rating, FCD – Foreign Currency Deposit Rating)

## 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			
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		Insurance
Thursday 27/06/2019	QISI	QATI		
Sunday 30/06/2019	DOHI	QGRI	AKHI	Real Estate
Monday 01/07/2019	BRES	ERES		
Tuesday 02/07/2019	UDCD	MRDS		Telecoms
Wednesday 03/07/2019	VFQS	ORDS		
Thursday 04/07/2019	QGTS	GWCS	QNNS	Transport/Logistics
Sunday 07/07/2019	QETF	QATR	QAMC	ETFs and QAMCO

Source: QSE

## News

### Qatar

- **Fitch affirms Qatar's Long-Term Foreign-Currency IDR at 'AA-' with 'Stable' outlook** – Fitch Ratings (Fitch) has affirmed Qatar's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'AA-' with a 'Stable' outlook. Qatar's 'AA-' ratings reflect a return to fiscal surpluses, strong sovereign net foreign asset position and external surpluses, and one of the world's highest ratios of GDP per capita. Fitch stated, "Qatar is exposed to regional geopolitical shocks. Although we believe risks of escalation are low, there has also been little visible progress in reconciliation efforts." Fitch added, "We expect the general government surplus to narrow to 2.8% of GDP in 2019 and 0.2% of GDP in 2020. We also expect government spending to rebound by nearly 9%, led by capital spending, which we expect will plateau at around 13% of GDP (QR95bn) in 2019-2021 in the run-up to the 2022 Football World Cup. We expect government debt to jump to 63% of GDP in 2019 from 59% in 2018 despite the fiscal surplus. This is well above the 'AA' median of around 40% of GDP. The projection includes around 1% of GDP of domestic T-bills and 8% of GDP of government overdrafts with local banks." (Bloomberg)
- **Qatar Petroleum awards FEED contract for the North Field Expansion Project** – Qatar Petroleum awarded the FEED (Front End Engineering Design) contract for the North Field Expansion Project's offshore pipelines and topsides facilities. The scope of this FEED, which was awarded to McDermott Middle East Inc., includes engineering design for eight unmanned wellhead platform topsides, four 38" trunk lines and four 28" intra-field lines, and is expected to take 12 months to complete. Minister of State for Energy Affairs and Qatar Petroleum's President and CEO, HE Saad Sherida Al-Kaabi said, "The offshore topsides and pipelines are an important component of the North Field Expansion Project's implementation. We are pleased to have McDermott take part in this important effort." He added, "This award comes on the heels of a series of announcements for other components of the project that are all important milestones towards delivering our strategy of increasing Qatar's LNG production capacity from 77 to 110mn tons per annum, which is progressing well and according to plan on all fronts." Qatargas is entrusted with executing this mega-project on behalf of Qatar Petroleum. As the world's premier LNG company, Qatargas has a well-proven track record of delivering such major projects and in operating various onshore and offshore facilities in the North Field with world-class reliability and operational excellence. (Peninsula Qatar)
- **QEWS and QEERI sign pact for desalination pilot plant** – Qatar Environment and Energy Research Institute (QEERI), part of Hamad Bin Khalifa University (HBKU), recently signed an agreement with Qatar Electricity & Water Company (QEWS), to initiate a pilot testing program for desalination technology development. A pilot desalination plant will be constructed to specifically focus on a novel design of Multi-Effect Distillation (MED) technology for seawater desalination which has been developed by QEERI. The testing program will enable the development of a new concept to improve the energy efficiency of MED thermal technology. Abdelnasser Aboukhlewa, scientist at QEERI, joint faculty at College of Science and Engineering (CSE), and the project lead of the advanced MED technology development, said, "The agreement allows QEERI to use its scientific and technical expertise at the pilot plant to be established at QEWS' facility in Dukhan, which will support QEWS in its role managing the operation and maintenance of Qatar's power and desalination plants" Under the agreement, QEWS is offering QEERI a site for a pilot plant installation, facilities and logistical support, including a supply of seawater, outfall of the brine and electricity. In turn, QEERI will support the building of the MED pilot plant. (Qatar Tribune)
- **Baladna plans to tap more export markets, expand domestic outlets** – Baladna, a beacon of self-sufficiency that has been growing more than 100% YoY, is rolling out a two-tier strategy, which includes tapping more export markets and expanding domestic outlets, as Qatar completes the second year of unwarranted blockade. "We do have solid plans to expand and deliver shareholder value," Baladna's CEO, Kamel Abdallah said when asked about the dairy major's plan in the wake of Gulf crisis that however brought the best out of Qatar. "I can confirm now is that we are growing more than 100% YoY, and we continue to evolve dynamically," he said without divulging the actual top line figures as it is yet a private entity, pending its process of Initial Public Offering (IPO). The company has already lined up QR21mn investments for UHT (long-life milk) and another QR10mn for fresh juice. About its brand strategy, Abdallah said Baladna is rolling out a two-tier strategy built on proximity and availability. "We are constantly expanding across different outlets in Qatar aiming to be accessible by everyone in Qatar," he added. The company is also looking at exports as an additional source of revenue, and has devised its strategy to promote products and emerge as a regionally recognized player. (Gulf-Times.com)
- **QGMD's EGM endorses the items listed on its agenda** – Qatari German Company for Medical Devices (QGMD) announced that Extraordinary General Assembly Meeting (EGM) was held on May 26, 2019 and the company's EGM endorsed items on its agenda. EGM approved following resolution: (i) The recommendation of the board of directors to amend the Articles of Association of the company to comply with the decision of the board of directors of the Qatar Financial Markets Authority issued at its fourth meeting of 2018 held on December 16, 2018. The nominal value of the share (QR1) as a condition for listing the shares of companies in the main market and the second market (start-ups), (ii) The recommendation of the board to amend the Articles of Association of the company to raise the maximum foreign ownership in the company's capital to 49% in line with the recommendation of the Qatar Exchange, (iii) The recommendation of the board of directors to continue the work of the company despite the accumulated losses reached more than half of its capital, and (iv) Authorized the Chairman of the board of directors or his representative to make the necessary amendments to the Articles of Association and to sign the amended copy and to complete the legal procedures with the official authorities. (QSE)



- **QATI to hold its EGM on October 22** – Qatar Insurance Company’s (QATI) board of directors invited its shareholders to attend its EGM, which will be held on October 22, 2019, to consider amending the Articles of Association of the company to secure the right of the Public Pension and Social Security Authority to appoint a representative of the Civil Pension Fund in the board of directors due to the share transferred from the government of the state of Qatar to them. (QSE)
- **WOQOD opens expanded Banat fuel station** – Qatar Fuel Company (WOQOD) opened the expanded area of Wadi Al Banat petrol station, the company announced. After expansion, the fuel station is now spread over an area of 12,650 square meters, and has new two lanes with six dispensers additional to the existing six dispensers within three lanes, which will serve Wadi Al Banat and its neighborhood. (Qatar Tribune)
- **Qatar reports a trade surplus of QR13.12bn in April 2019** – Qatar reported a trade surplus of QR13.12bn in April 2019 with the bulk of the exports (more than 66%) going to Asia, according to the official estimates. The country's trade surplus registered a marginal 0.4% decline on a monthly basis and 11.3% fall YoY, according to the Planning and Statistics Authority. In absolute terms, South Korea, Japan, India, Singapore and China were among the largest export markets of Qatar; while imports mainly came from the US, China, India, Germany and the UK in the period under review. In April, total exports of goods (including exports of goods of domestic origin and re-exports) amounted to QR22.13bn, showing a decline of 2.8% and 7.8% on monthly and yearly basis, respectively. The exports of petroleum gases and other gaseous hydrocarbons grew 2.6% MoM to QR13.87bn, while those of non-crude declined 11.5% to QR1.26bn, other commodities by 11.4% to QR2.31bn and crude by 1.9% to QR3.76bn. On a yearly basis, shipments of non-crude plummeted 40.7%, other commodities 20.1%, crude 4.6% and petroleum gases 2.1%. Petroleum gases constituted 65.42% of the exports of domestic products compared to 61.29% a year ago period, crude 17.73% (17.04%), non-crude 5.94% (9.17%) and other commodities 10.9% (12.5%). The country's re-exports amounted to QR0.93bn in April, which showed 33.1% shrinkage against March 2019 but reported a 4.4% jump on a yearly basis. Qatar's total imports (valued at cost insurance and freight) amounted to QR9.01bn, which showed a 6.1% and 2.3% decline on a monthly and yearly basis, respectively in April 2019. (Gulf-Times.com)
- **BHGE sees significant growth prospects in energy-rich Qatar** – Baker Hughes, a GE company (BHGE) sees significant growth prospects in Qatar, especially as the country focuses on unlocking the potential of its gas reserves, according to Ayman Khattab, President and CEO, BHGE Gulf & North Africa. Khattab said, “We see a lot of potential in the liquefied natural gas market; Qatar is a leading global producer of LNG and there are lots of opportunities in expanding production and in driving the efficiency and reliability of processes.” He added, “We support our partners in Qatar to achieve increased performance, customize LNG solutions for them and achieving rotating equipment and process excellence.” Additionally, BHGE sees a lot of opportunities in the development and expansion projects as Qatar targets to increase its production. Qatar, he said, is one

of BHGE’s key markets in the region, and it has a strong history of partnerships and presence here. (Gulf-Times.com)

- **Qatar first-mover in digitizing energy assets** – Qatar is one of the first-movers in digitizing the energy sector assets and there is tremendous opportunity to further leverage the potential of digitization, according to Ayman Khattab, President and CEO, (Gulf and North Africa) Baker Hughes, a GE company (BHGE). Khattab said, “Digitization is one of our strong areas – and our technologies are designed to help unlock the true potential of oil and gas assets through digitization of assets. Today, globally, only 3% to 5% of oil and gas equipment are connected digitally. Today, BHGE’s Asset Performance Management (APM) supports Qatargas and QChem among others to achieve significant savings by increasing maintenance efficiency and effectiveness. APM also provides a mechanism to reduce regulatory compliance cost and effort and minimize the risk of non-compliance.” (Gulf-Times.com)

#### International

- **Germany planning to set 0.25% countercyclical capital buffer for banks** – Germany’s Financial Stability Board suggested the introduction of a countercyclical capital buffer of 0.25% for banks to ensure lending should there be a sustained downturn in Europe’s largest economy, the Finance Ministry stated. The step is meant as a precaution as regulators currently see no concrete signs of acute risks for financial stability in Germany, Deputy Finance Minister Joerg Kukies said. Felix Hufeld, President of Germany’s banking watchdog BaFin, said banks are given a 12-months time frame to implement the countercyclical capital buffer, starting from July 1. The step means that the German banking sector as a whole will have to hold back an additional sum of 5.3bn Euros for lending purposes in case of an economic downturn, Hufeld added. (Reuters)
- **BoJ's Kuroda sounds alarm on global economy ahead of G20** – Bank of Japan’s (BoJ) Governor, Haruhiko Kuroda said the global economic outlook is highly uncertain, and there are downside risks due to trade friction, China’s slowing economy and Britain’s negotiations to leave the European Union. “There is a high degree of uncertainty and the downside risks are large,” Kuroda said. On a positive note, Kuroda said concerns about capital outflows from emerging market economies and widespread currency depreciation have eased. He said Group of 20 meetings this year will discuss current account balances and also said bilateral trade measures will not resolve such imbalances. Japan will host a Group of 20 finance ministers and central bankers’ meeting on June 8-9. If current account balances are not in line with economic fundamentals, then the G20 should examine the reasons, Kuroda said, noting that running a deficit or surplus was not necessarily good or bad. (Reuters)
- **Japan says Trump's comment reflected hope for progress in trade talks by August** – US President, Donald Trump’s comment signaling an announcement on trade in August probably reflected his hope for quick progress in negotiations, Japan’s Economy Minister, Toshimitsu Motegi said. Trump’s government is trying to renegotiate trade agreements with major economies, including Japan, to lower the US trade deficit and address what it sees to be unfair trade practices. After Trump met Prime Minister Shinzo Abe, he told reporters he

expected the two countries to be announcing some things, probably in August, that will be very good for both countries on trade. (Reuters)

- **China's auto sales to show flat growth in 2019** – China's automobile sales will reach around 28.1mn units this year, unchanged from 2018 levels, state news agency Xinhua reported. Citing a report jointly released by the China Association of Automobile Manufacturers and other parties, Xinhua stated that sales of passenger units will be about 23.7mn units, a level also similar to that of last year. Sales of new energy vehicles, however, are likely to remain buoyant and grow about 27% to hit 1.6mn units from 1.26mn units in 2018, the report stated. The country's auto market contracted last year for the first time in more than two decades due to softer domestic demand and a trade war with the US. Monthly sales have so far declined for 10 consecutive months. (Reuters)

### Regional

- **S&P: GCC's wave of bank mergers almost over** – The cycle of bank mergers in the GCC over the past 24 months is coming to an end, S&P stated in a recent report. "Some market observers attribute the renewed interest in mergers by banks in the GCC to the less supportive economic conditions since second-half 2014, when oil prices started to drop," S&P's Credit Analyst, Mohamed Damak said commenting on the report titled 'The GCC's Current Wave Of Bank Mergers Is Almost Over'. "We believe the reason is the desire to further enhance efficiency, strengthen franchises, and boost pricing power among banks with the same major shareholders. We see these operations akin to shareholders reorganizing their assets rather than genuine mergers, although the economic benefits are clear and reportedly significant," he added. Indeed, most mergers and acquisitions (M&A) to date have involved banks with common major shareholders. As such, the pool of banks with similar ownership is smaller, which will mean fewer M&A from now on-unless economic reasons force the issue, said the report. "A new wave of acquisitions motivated by purely economic reasons could follow, but we think it may take longer to build than the current one given the added hurdles of convincing boards and shareholders, who face the possibility of seeing their assets diluted or losing control," he said. (Zawya)
- **Saudi Arabia's Napco National plans float, picks Banque Saudi Fransi to advise** – Saudi Arabia-based home disposables manufacturer Napco National is planning a potential public share sale and has hired the investment banking arm of Banque Saudi Fransi to advise on the deal, sources told Reuters. Based in Dammam, Napco National produces paper and hygiene products like facial tissues, feminine napkins and adult and child diapers. The company is working with Saudi Fransi Capital on an Initial Public Offering (IPO) that could take place at the end of this year or next, sources said. Sources said it is still too early to assess the size of the offering. Founded in 1956, NAPCO National employs more than 5,200 people in Dammam, Jeddah and Riyadh. The company has disclosed no details of its sales or profits. It is part of Lebanon-headquartered INDEVCO, which has 38 plants and commercial companies in the Middle East, Africa, Europe and the US. (Reuters)
- **Gulf Capital eyes acquisitions, plans new fund** – Gulf Capital stated that it has bought a majority stake in health aesthetics

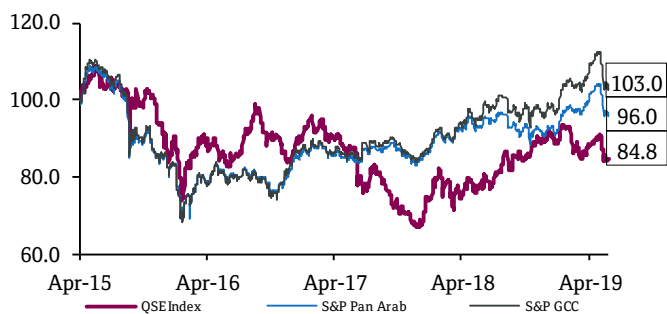
firm Medica Holding and was looking for more acquisitions in the Middle East, Africa and Southeast Asia. UAE-based private equity firm Gulf Capital bought a 70% stake in Medica, which provides aesthetics, cosmetics and dermatology equipment and products in the Middle East. It did not disclose the deal value. "We are willing to fund any bolt-on acquisitions. We are looking at two acquisitions in the Gulf, a joint venture in Africa and also in southeast Asia," CEO of Gulf Capital, Karim El Solh said. "The deal is an intersection of consumer spending and healthcare, sectors that are growing very fast," he said, declining to give the deal value. The \$10bn health aesthetics market is projected to grow at 10% annually over the next five years, while it is growing at 15% annually in the Gulf, he said. Investments in acquisitions will be made from Gulf Capital's third private equity fund worth \$750mn, which still has a third of its cash to be deployed. (Reuters)

- **Expo 2020 Dubai to attract 11mn foreign visitors** – Dubai could attract 11mn foreign visitors to the Expo 2020 world fair, organizers said, giving a significant boost to the Emirate's tourism sector. Overseas visitors would account for almost 71% of the total expected for the event in Dubai, already a popular destination which lured record 15.9mn visitors in 2018. Expo 2020, which starts in October 2020 and runs for six months, expected to add \$33.4bn to the UAE's economy between 2013 and 2031, according to a study conducted by consultancy EY. (Reuters)
- **Sharjah Islamic Bank ratings upgraded to 'A-' by S&P** – S&P has upgraded Sharjah Islamic Bank's (SIB) ratings to 'A-'. S&P has cited that high systemic importance in the UAE for the rating upgrade and high likelihood of the bank receiving government support if needed, according to a statement. S&P has raised its Long-Term Issuer Credit rating on UAE-based Sharjah Islamic Bank (SIB) to 'A-' from 'BBB+', the outlook has been confirmed at 'Stable'. It expects SIB's business and financial profiles to remain 'broadly' unchanged over the next 12-24 months. (Bloomberg)
- **Abu Dhabi National Hotels open to deals abroad** – Abu Dhabi National Hotels, which spent \$600mn to buy hotels in Dubai, is open to acquiring assets outside of the UAE, its CEO, Khalid Anib told The National newspaper. The main focus is the UAE, however, opportunities in the six-nation GCC, North Africa, London or elsewhere could also be considered, he said. The company is also weighing joint ventures to streamline subsidiary operations in retail and transport, the newspaper reported. Last year it agreed to buy five hotels from Dubai's Emaar Properties for \$600mn. (Bloomberg)
- **Moody's affirms 'A1' deposit rating of Kuwait Finance House; upgrades BCA to 'baa3' from 'ba1'** – Moody's Investors Service (Moody's) has affirmed 'A1' / Prime-1 Long- and Short-Term Domestic And Foreign Currency Deposit ratings of Kuwait Finance House (KFH). At the same time, Moody's upgraded KFH's Baseline Credit Assessment (BCA) and adjusted BCA to 'baa3' from 'ba1'. The outlook on KFH's Long-Term ratings remains 'Stable'. The upgrade of KFH's BCA to 'baa3' from 'ba1' reflects sustained improvements in the bank's asset quality and earnings, through de-risking the balance sheet by divestures and sale of non-core assets and focusing on core banking activities. Despite the BCA upgrade to 'baa3', KFH's Long-Term

Deposit ratings are affirmed at 'A1' as the deposit rating already benefits from a very high government support which, following the BCA upgrade, translates into five notches of uplift. The affirmation of KFH's 'A1' deposit ratings reflects Moody's expectation of a very high probability of government support in case of need. This very high government support now translates into five notches of uplift from the bank's higher 'baa3' BCA, compared to six notches previously. Kuwaiti banks benefit on an average from four notches of uplift from government support. KFH's five notches reflect (1) the bank's systemic importance in Kuwait, given its domestic market share of around 24%, and its large retail deposit base and global Islamic banking franchise; (2) its aggregate 48% direct and indirect ownership by various Kuwaiti government entities which is the highest in Kuwait; and (3) Kuwaiti authorities' long track record of transparency surrounding the provision of support to distressed banks. (Bloomberg)

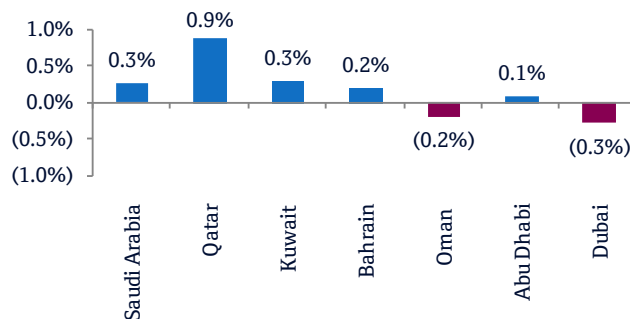
- **Kuwait's oil minister sees balanced oil market toward end 2019**  
– The oil market is expected to be in balance toward the end of 2019, as global inventories fall and demand remains strong, however, OPEC's job is not done yet, Kuwait's oil minister, Khaled Al-Fadhel said. There are still uncertainties around oil demand growth due to concerns about the impact of the US/China trade dispute on global economy, while US shale oil production is still rising, he said. This uncertain outlook is making it tough for OPEC and its allies to have a clear oil supply plan for the second half of the year. He added that it is too early to say now if the oil producers will extend their current output targets after June. The OPEC, Russia and other non-OPEC producers, known as OPEC+, agreed to reduce output by 1.2mn barrels per day (bpd) from January 1 for six months, a deal designed to stop inventories building up and weakening prices. "There is great anxiety in the market today mainly related to supply concerns. For example, the impact of the US government decision announced recently not to extend the waivers to major buyers of Iranian crude has yet to be felt," he said. (Reuters)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 1.37x** – Bahrain sold BHD70mn 91 day of bills due on August 28, 2019. Investors offered to buy 1.37 times the amount of securities sold. The bills were sold at a price of 99.213, having a yield of 3.14% and will settle on May 29, 2019. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,288.95	0.3	0.3	0.5
Silver/Ounce	14.60	0.2	0.2	(5.8)
Crude Oil (Brent)/Barrel (FM Future)	70.11	2.1	2.1	30.3
Crude Oil (WTI)/Barrel (FM Future)*	58.63	0.0	0.0	29.1
Natural Gas (Henry Hub)/MMBtu*	2.68	0.0	0.0	(15.9)
LPG Propane (Arab Gulf)/Ton*	53.75	0.0	0.0	(15.4)
LPG Butane (Arab Gulf)/Ton*	51.25	0.0	0.0	(26.8)
Euro	1.12	(0.1)	(0.1)	(2.4)
Yen	109.51	0.2	0.2	(0.2)
GBP	1.27	(0.3)	(0.3)	(0.6)
CHF	1.00	(0.2)	(0.2)	(2.2)
AUD	0.69	(0.1)	(0.1)	(1.9)
USD Index*	97.61	0.0	0.0	1.5
RUB	64.45	(0.0)	(0.0)	(7.6)
BRL	0.25	(0.5)	(0.5)	(4.0)

Source: Bloomberg (\*Market was closed on May 27, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,096.43	0.1	0.1	11.3
DJ Industrial*	25,585.69	0.0	0.0	9.7
S&P 500*	2,826.06	0.0	0.0	12.7
NASDAQ 100*	7,637.01	0.0	0.0	15.1
STOXX 600	376.71	0.1	0.1	9.0
DAX	12,071.18	0.4	0.4	11.8
FTSE 100*	7,277.73	0.0	0.0	7.9
CAC 40	5,336.19	0.2	0.2	10.2
Nikkei	21,182.58	0.2	0.2	6.7
MSCI EM	989.15	0.3	0.3	2.4
SHANGHAI SE Composite	2,892.38	1.4	1.4	15.6
HANG SENG	27,288.09	(0.2)	(0.2)	5.3
BSE SENSEX	39,683.29	0.5	0.5	10.4
Bovespa	94,864.25	1.0	1.0	3.6
RTS	1,288.12	0.7	0.7	20.5

Source: Bloomberg (\*\$ adjusted returns, #Market was closed on May 27, 2019)

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