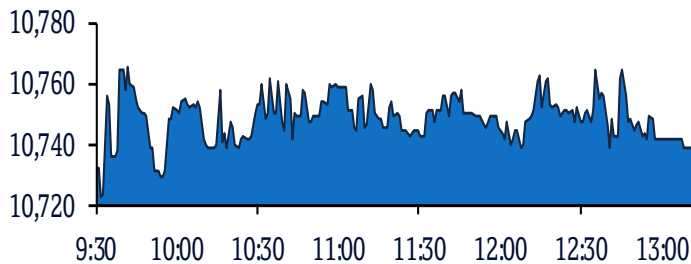


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index declined 0.1% to close at 10,739.1. Losses were led by the Telecoms and Banks & Financial Services indices, falling 0.4% and 0.3%, respectively. Top losers were Qatar Cinema & Film Distribution and Qatar Aluminum Manufacturing Co., falling 6.9% and 1.6%, respectively. Among the top gainers, Gulf International Services gained 3.6%, while Qatari Investors Group was up 3.3%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.1% to close at 10,685.5. Losses were led by the Telecommunication Services and Utilities indices, falling 0.9% and 0.8%, respectively. Saudi Industrial Services Co. declined 2.1%, while Saudi Industrial Investment Group was down 2.0%.

**Dubai:** The DFM Index fell 0.1% to close at 2,820.7. The Real Estate & Construction index declined 0.9%, while the Consumer Staples and Discretionary index fell 0.4%. DAMAC Properties Dubai Co. declined 8.6%, while Emirates Refreshments Co. was down 3.8%.

**Abu Dhabi:** The ADX General Index gained 0.3% to close at 6,623.4. The Real Estate index rose 1.8%, while the Industrial index gained 1.3%. Ras Al Khaimah Cement Co. rose 14.4%, while Fujairah Cement Industries was up 6.4%.

**Kuwait:** The Kuwait All Share Index gained 0.1% to close at 6,261.5. The Technology index rose 6.2%, while the Energy index gained 0.9%. National International Co. rose 8.6%, while Dar Al Thraya Real Estate Co. was up 7.7%.

**Oman:** The MSM 30 Index gained 0.8% to close at 3,965.5. Gains were led by the Financial and Industrial indices, rising 1.2% and 1.1%, respectively. Oman Cables Industry rose 7.4%, while Oman & Emirates Investment Holding Co. was up 7.3%.

**Bahrain:** The BHB Index gained 0.2% to close at 1,542.1. The Commercial Banks index rose 0.4%, while the Investment index gained 0.2%. GFH Financial Group rose 1.1%, while Ahli United Bank was up 0.7%.

Market Indicators	06 Jun 21	03 Jun 21	%Chg.
Value Traded (QR mn)	379.9	407.5	(6.8)
Exch. Market Cap. (QR mn)	625,406.8	626,303.4	(0.1)
Volume (mn)	204.3	191.0	7.0
Number of Transactions	8,005	9,647	(17.0)
Companies Traded	48	46	4.3
Market Breadth	20:24	9:35	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,258.77	(0.1)	(0.1)	6.0	18.2
All Share Index	3,415.43	(0.1)	(0.1)	6.8	19.0
Banks	4,492.59	(0.3)	(0.3)	5.8	15.7
Industrials	3,563.95	0.0	0.0	15.0	27.4
Transportation	3,397.28	0.2	0.2	3.0	22.7
Real Estate	1,895.07	0.2	0.2	(1.7)	18.0
Insurance	2,649.61	0.4	0.4	10.6	23.7
Telecoms	1,069.70	(0.4)	(0.4)	5.8	28.4
Consumer	8,195.71	(0.2)	(0.2)	0.7	28.7
Al Rayan Islamic Index	4,613.23	(0.2)	(0.2)	8.1	19.8

GCC Top Gainers###	Exchange	Close#	1D%	Vol. '000	YTD%
Kingdom Holding Co.	Saudi Arabia	10.28	6.6	6,311.9	29.3
SABIC Agri-Nutrients	Saudi Arabia	113.40	4.8	916.3	40.7
National Bank of Oman	Oman	0.19	3.8	751.8	20.0
Mesaieed Petro. Holding	Qatar	1.94	3.0	11,747.9	(5.2)
HSBC Bank Oman	Oman	0.10	2.0	30.0	12.1

GCC Top Losers###	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Industrial Inv.	Saudi Arabia	36.25	(2.0)	893.3	32.3
National Petrochem. Co.	Saudi Arabia	47.35	(1.8)	284.0	42.4
Mouwasat Medical Serv.	Saudi Arabia	183.80	(1.6)	114.6	33.2
Ahli United Bank	Kuwait	0.28	(1.4)	1,645.2	6.6
Saudi Telecom Co.	Saudi Arabia	133.00	(1.3)	1,035.8	26.5

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Gulf International Services	1.63	3.6	32,656.8	(5.1)
Qatari Investors Group	2.61	3.3	7,801.0	44.1
Mesaieed Petrochemical Holding	1.94	3.0	11,747.9	(5.2)
Baladna	1.61	2.7	24,175.4	(10.0)
Qatar Oman Investment Company	1.08	2.7	19,162.1	21.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Gulf International Services	1.63	3.6	32,656.8	(5.1)
Salam International Inv. Ltd.	1.01	(0.6)	25,035.0	55.1
Baladna	1.61	2.7	24,175.4	(10.0)
Qatar Oman Investment Company	1.08	2.7	19,162.1	21.3
Qatar Aluminum Manufacturing Co	1.61	(1.6)	17,215.2	66.4

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	4.00	(6.9)	1.3	0.2
Qatar Aluminum Manufacturing	1.61	(1.6)	17,215.2	66.4
Aamal Company	1.02	(1.4)	9,847.1	19.3
Ahli Bank	3.70	(1.3)	500.1	7.3
Qatar International Islamic Bank	9.51	(1.1)	276.2	5.1

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Gulf International Services	1.63	3.6	52,570.4	(5.1)
Baladna	1.61	2.7	38,741.0	(10.0)
Qatar Aluminum Manufacturing	1.61	(1.6)	27,928.8	66.4
Salam International Inv. Ltd.	1.01	(0.6)	25,343.8	55.1
Mesaieed Petrochemical Holding	1.94	3.0	22,630.1	(5.2)

Source: Bloomberg (\* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,739.14	(0.1)	(0.1)	(0.1)	2.9	102.91	169,235.1	18.2	1.6	2.7
Dubai	2,820.71	(0.1)	(0.1)	0.8	13.2	42.64	105,396.9	21.2	1.0	2.9
Abu Dhabi	6,623.41	0.3	0.3	1.0	31.3	342.00	253,989.1	22.4	1.9	3.7
Saudi Arabia	10,685.45	(0.1)	(0.1)	1.3	23.0	3,986.33	2,591,868.5	35.1	2.4	2.0
Kuwait	6,261.48	0.1	0.1	0.8	12.9	180.11	118,844.8	39.8	1.6	2.2
Oman	3,965.51	0.8	0.8	2.9	8.4	9.00	17,751.4	12.1	0.7	4.6
Bahrain	1,542.12	0.2	0.2	0.9	3.5	25.74	23,661.5	26.5	1.0	2.2

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

## Qatar Market Commentary

- The QE Index declined 0.1% to close at 10,739.1. The Telecoms and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from Qatari shareholders despite buying support from GCC, Arab and foreign shareholders.
- Qatar Cinema & Film Distribution and Qatar Aluminum Manufacturing Co. were the top losers, falling 6.9% and 1.6%, respectively. Among the top gainers, Gulf International Services gained 3.6%, while Qatari Investors Group was up 3.3%.
- Volume of shares traded on Sunday rose by 7.0% to 204.3mn from 191.0mn on Thursday. However, as compared to the 30-day moving average of 233.3mn, volume for the day was 12.4% lower. Gulf International Services and Salam International Inv. Ltd. were the most active stocks, contributing 16.0% and 12.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	56.80%	56.48%	1,238,977.9
Qatari Institutions	10.63%	16.04%	(20,560,186.8)
<b>Qatari</b>	<b>67.43%</b>	<b>72.51%</b>	<b>(19,321,208.9)</b>
GCC Individuals	0.53%	0.88%	(1,315,017.4)
GCC Institutions	3.96%	1.70%	8,613,910.8
<b>GCC</b>	<b>4.49%</b>	<b>2.57%</b>	<b>7,298,893.3</b>
Arab Individuals	16.23%	14.59%	6,238,318.1
Arab Institutions	0.00%	0.00%	–
<b>Arab</b>	<b>16.23%</b>	<b>14.59%</b>	<b>6,238,318.1</b>
Foreigners Individuals	3.70%	4.07%	(1,426,069.5)
Foreigners Institutions	8.16%	6.26%	7,210,067.1
<b>Foreigners</b>	<b>11.85%</b>	<b>10.33%</b>	<b>5,783,997.6</b>

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

## News

### Qatar

- **Forbes: QNB Group second most valuable company in Arab world** – Qatar remains one of the best countries for business in the Arab world as it dominates the ‘2021 Forbes list of Top 100 Companies in the Arab world’ released on Sunday. The QNB Group (QNBK) with assets worth \$281.6bn and market value worth \$45.4bn is at the second position of the list and the top listed bank in the region. Forbes Middle East, which unveiled its list of the Middle East’s largest and most successful listed companies for 2020, said the ranking is compiled from in-depth research based on data from all stock exchanges in Arab countries and analysis of market value, sales, assets, and profits. Companies in Qatar are doing well despite and the country’s entry in the Forbes list of Top 100 Companies in The Arab World 2020 is marked by the presence of 17 companies. The banking and financial services sector dominates the list with 46 entries, followed by the industrial sector with nine companies, and real estate and construction, and telecommunications, with eight entries each. (Qatar Tribune)
- **Barwa offers additional new apartments for ownership at Dara (A) in Lusail City** – Barwa Real Estate has announced to offer additional new apartments for ownership at its Dara (A) project in Lusail City According to the company, residential units in Building A1 is now available to investors wishing to own property. The building provides 142 apartments of various sizes for ownership. “This step comes after the success achieved by the sales of Building A2, where the sales reached about 80%, out of the total 129 apartments offered by the building despite the COVID-19 pandemic. This brings the total number of buildings offered for sale in this pioneering project to three buildings,” the company said. Dara (A), the first phase of the Dara project, offers four five-storey buildings that provide 271 apartments, including 94 one-bedroom apartments, 139 two-bedroom apartments, and 38 three-bedroom apartments, in addition to providing 365 underground parking spaces. More units in Building A1 will also be offered for sale in the coming months. The sale of units will be

managed by Waseef, a subsidiary of Barwa Real Estate Group. (Qatar Tribune)

- **PwC: Qatar banks display resilience despite pandemic-induced volatility** – Qatari banks have displayed resilience despite volatility caused by the pandemic and a drop in oil prices in the region, PwC has said in a report. Through increased public and private sector collaboration, coupled with a drive to diversify revenue streams and attract new investors, Qatar’s institutions swiftly mitigated the risks of COVID-19 induced volatility. The role played by the Qatar Central Bank (QCB) was vital in maintaining a robust banking ecosystem, PwC said in its ‘2020 Qatar Banking Sector Report’. Measures introduced by QCB significantly moderated economic volatility and laid the groundwork for a post-pandemic recovery across the private sector, it said. The QCB played a vital role in the ecosystem, by combining supervision activities with a series of measures significantly mitigating economic volatility and assisting recovery across the private sector. For example, QCB offered repurchase facilities (Repo) at a zero interest, which helped banks to receive liquidity and reduce the interest/return rate for affected sectors, ultimately boosting their ability to repay the loans in the long run. The eight listed commercial banks have proactively responded to the QCB’s support policies as well as revised their financial models based on emerging macro trends. Macro trends are reflected into the financial aggregated data reported by the eight listed commercial banks, which show the resilience of the sector through volatility. “FY2020 is marked by growth of assets, streamlined non-interest costs as well as an overall decreased profitability level,” PwC said. In FY 2020, the aggregated balance sheet of the eight listed commercial banks regulated by the QCB grew by 7.3% (assets), 7.8% (liabilities) and 3.0% (equity) between FY 2020 and FY 2019, the report noted. The aggregated total assets of the eight listed commercial banks hit QR1.74tn as of 31 December 2020, reflected in the 7% growth of total aggregated loan and advances which hit QR1.2tn as of 31 December 2020. “This data proves once again that the lending activity remains healthy and in expansion, driven by diversified sources of funding. The increase

in the lending activities through loans and advances is a sign of confidence in businesses and the economy, with the eight listed commercial banks maintaining a constant lending strategy also during a volatile market,” PwC said. On the other hand, volatility had an impact on profitability, showed by a decline of the aggregated profit of the eight commercial banks from a total of QR24.65bn to QR21.59bn (-12.43%), compared with FY 2019. The difference is mainly driven by a drop of revenue income (QR-12.7bn), 86.7% of which is contributed by a decline of interest income (QR-11bn). Reasons for this income drop, PwC noted, are also linked to the aggregated impairment allowance (stage 1,2,3 combined) of the eight listed commercial banks, which increased by 17.3% (FY2019 vs FY2020), showing the risk of credit loss has increased over the last financial year. (Gulf-Times.com)

- PSA: Automobiles sector posts robust demand growth –** Qatar’s automobiles sector witnessed robust demand generation, notably in the new private vehicles and heavy equipment, where registrations more than doubled YoY in April 2021, according to the figures released by the Planning and Statistics Authority (PSA). New registration of trailers witnessed an almost five-fold jump YoY this April; indicating the positive outlook on the vital infrastructure of country, which was corroborated by the Qatar Financial Centre’s purchasing managers’ index that found the rebound in the non-hydrocarbon private sector. The new vehicles registration stood at 4,734; representing a remarkable 86.7% YoY surge in the review period. However, it declined 11.4% MoM in the review period. Of the new 4,734 vehicles registered this April, the number of new private vehicles stood at 3,079 – recording a 141.7% expansion in a yearly basis, even as it fell 16% on a monthly basis. These private vehicles accounted for more than 66% of the new vehicles registered in the review period. The registration of new private transport vehicles stood at 1,125; which constituted 23.76% of the total new vehicles. Such registrations saw 64.2% and 6.9% increase YoY and MoM respectively in April 2021. According to the Qatar Central Bank data, the consumption credit rose 12.51% YoY to QR157.07bn in April 2021. The consumption credit to nationals amounted to QR146.31bn, which grew 16.87%; while that to non-Qataris shrank 25.38% to QR10.76bn. (Gulf-Times.com)
- QFCRA regulated firms’ assets grow to QR44bn –** The Qatar Financial Centre of Regulatory Authority (QFCRA) regulated financial institutions have registered around 13% rise in their total assets which increased to QR44bn in 2020 compared to QR39bn in 2019. The total assets have risen by around 51% since 2018, according to a report released by PwC. The growth in assets shows that Qatar Financial Centre (QFC) and QFCRA have built a robust business environment that continues to attract foreign investments, despite macroeconomic uncertainty. “QFCRA reported robust 2020 financial and operational results, including an increase in new license issues of 63.7% as compared to 2019, underscoring confidence in the potential for future growth,” said PwC in its ‘Qatar’s Banking Sector report FY2020’ report released, yesterday. “The rapid growth of assets is especially reflected in the rise of the total loans and advances, which increased from QR18.2bn as at December 31, 2018 and from QR25.8bn as at December 31 2019 to QR29.8bn as at December 31, 2020,” it added. The data highlights the core business and nature of the lending activity of the QFCRA’s regulated financial institutions, which predominantly serve clients by lending loans. The proportion of loan and advances over total assets is at 68% at the end of December 2020, while an additional 24.1% is represented by total investments over total assets. (Peninsula Qatar)
- CRA publishes fourth Class License for SRDs –** The Communications Regulatory Authority (CRA) recently published

on its website the fourth version of the Class License for Short Range Devices (SRDs) that replaces the third version that was in place. The fourth version was designed to keep pace with rapid technological advancements in radio-communications equipment and applications and according to the resolutions and recommendations of the World Radiocommunication Conference 2019 (WRC-19). The Class License specifies the harmonized standards to be used for SRDs. The fourth version includes updates to the rules, international standards, and technical specifications for the SRDs intended to be imported to Qatar and the corresponding authorized maximum allowed output power. In addition to updates related to new frequency bands and applications for SRDs, including Wireless Access Systems (WAS) applications like Radio Local Area Networks (RLANs) applications onboard land vehicles, including wagons, cars, and trucks, and buses. (Peninsula Qatar)

- MME to select consultant to study Qatari marine environment –** The Ministry of Municipality and Environment’s (MME) Water Environment Quality Section has offered a tender to select a specialized company to conduct a study of the Qatari waters. Section head Ali Jassim Al-Kuwari told local Arabic daily Arrayah that the consultant is expected to start its operations within six months once an agreement is signed. The first phase involves collection of samples from five locations along Doha Corniche, starting from Hamad International Airport and up to The Pearl-Qatar. The consultant can benefit from the old studies on the same issue carried out by various entities including Qatar University and Qatar Petroleum and compare the old and new outcomes to identify the changes in the Gulf marine environment and find ways to restore the conditions to the optimum level. (Gulf-Times.com)
- Mesaimeer Pumping Station and Outfall project to resolve sewage and waterlogging woes –** The Mesaimeer Pumping Station and Outfall project will bring a facelift to the sewage management in Qatar while decreasing the surface water level and reducing pumping costs in construction projects across the country. Ashghal has informed that the project will be completed by the end of this year. The main tunnel will connect the existing and future drainage networks. The tunnel will operate to drain surface water from sub-networks located in different areas, spread over an estimated 170square kilometers area, and minimize rainwater catchments, especially in tunnels, as it’s connected with rainwater drainage networks in 22 tunnels for vehicular traffic. Besides, it will help preserve the foundations of buildings by reducing waterlogging. Once completed at a total cost of about QR920mn, the 10 kilometers long outfall will become an important step towards providing a sustainable solution for the discharge of surface and stormwater in the country. The project will accommodate surface and storm water volumes received from the drainage networks located in different areas in Doha. The water is treated according to the highest internationally approved specifications, and then pumped 10 kilometers away from the seashore via the Mesaimeer pumping station and outfall tunnel. The excavation of the outfall tunnel, at a depth of 15 meters below the seabed and about 3.7 meters in diameter, is considered a “major construction challenge due to the variable geology that increases the exposure to unexpected conditions”. (Gulf-Times.com)
- Qatar Airways to resume Sharjah flights on July 1 –** Qatar Airways has announced that it will resume services to Sharjah, UAE starting July 1 with a daily flight. The Sharjah services will be operated by the airline’s state-of-the-art Boeing 787 Dreamliner featuring 22 seats in first class and 232 seats in economy. The resumption of services will enable passengers flying from and to Sharjah to benefit from the airline’s extensive international network in Asia, Africa, Australia and the Americas,



which currently stands at more than 130 destinations with plans to increase to more than 1,200 weekly flights to over 140 destinations by the end of July. Sharjah will be an alternative gateway for passengers to and from the other cities especially Dubai in the UAE. Qatar Airways flight QR1036, will depart from Hamad International Airport at 2.35pm, arriving at 4.45pm in Sharjah. Qatar Airways flight QR1037, will depart from Sharjah at 5.55pm and reach Doha at 6.05pm (local timings). (Gulf-Times.com)

#### **International**

- **Yellen says higher interest rates would be 'plus' for US** – US Treasury Secretary Janet Yellen said that President Joe Biden's \$4tn spending plan would be good for the US, even if it contributes to rising inflation and results in higher interest rates. "If we ended up with a slightly higher interest rate environment it would actually be a plus for society's point of view and the Fed's point of view," Yellen said in an interview with the outlet on Sunday. "We've been fighting inflation that's too low and interest rates that are too low now for a decade," the report quoted Yellen as saying. "We want them to go back to" a normal interest rate environment, "and if this helps a little bit to alleviate things then that's not a bad thing- that's a good thing," Yellen added. (Reuters)
- **Clock is ticking for Republicans on infrastructure, Biden officials said** – Democrats will start the process on Wednesday of preparing an infrastructure bill for a vote in the US House of Representatives, with or without Republican support, US Energy Secretary Jennifer Granholm told CNN on Sunday morning. "The president still has hope, Joe Manchin still has hope" for crafting a bipartisan infrastructure bill with Republicans, Granholm said, referring to the Democratic West Virginia senator who is seen as a key swing vote. "But I will tell you the House will start their markup on Wednesday," she said, referring to preparation of the legislation. President Joe Biden will discuss deal possibilities with the main Republican negotiator on infrastructure, Senator Shelley Moore Capito, on Monday for the third time, after rejecting Republicans' latest bill offer on Friday. The Republican offer included just over \$300bn in new spending to fix US roads, bridges, broadband and other public works, the White House said. Biden is asking for at least \$1tn in new spending. "The president is leading us to continue to stay at the table," Commerce Secretary Gina Raimondo said on ABC on Sunday. "So we won't do this forever, but right now there's good faith efforts on both sides and we're going to continue the work of doing our job and trying to get a bipartisan agreement." The Republican offer "did not meet the president's objectives," Transportation Secretary Pete Buttigieg told CBS. "This is not just about getting through this season or some short-term stimulus," he said. The administration's "strong preference" is to keep infrastructure spending bipartisan, Buttigieg added. Democrats hold a narrow majority in the House, and theoretical control of the Senate, because it is split 50-50 between both parties, and Vice President Kamala Harris acts as a tie-breaker. Any infrastructure bill sought by Biden must be backed by all Democrats and 10 Republicans, or pass through a process called reconciliation along party lines. (Reuters)
- **UK's lowest-paid workers face highest jobless risk** – Britain's lowest-paid workers, already hardest hit by the COVID-19 pandemic, will be most at risk from expected rises in unemployment and job insecurity later this year, researchers said on Monday. The Resolution Foundation, a think tank that studies living standards, said low-paid workers were returning to their jobs from furlough leave in large numbers. But the furlough scheme, which has a high concentration of low-paid workers in sectors like hospitality, is due to close in September - raising the risk that many of these workers will be left unemployed, the

Resolution Foundation said. Its research showed workers ranked in the bottom fifth for pay were three times more likely to have lost jobs, hours or have been furloughed than the top-paid fifth. "Big risks still lie ahead. Low-paid workers are most at risk from the expected rise in unemployment later this year, which also risks causing greater job insecurity," said Nye Cominetti, senior economist at the Resolution Foundation. "The government can salute the vital contribution of Britain's low-paid workers by offering them a new post-pandemic settlement – from better pay via a higher National Living Wage to greater security of working hours, and proper enforcement to tackle labor market abuses." Last month, the Bank of England slashed its forecasts for unemployment to show a peak of 5.4% in the third quarter after finance minister Rishi Sunak extended his jobs protection program - which has cost more than 60bn Pounds (\$85bn) so far - until the end of September. (Reuters)

- **EU ambassador to UK says trust is low ahead of Brexit talks** – The European Union's ambassador to the United Kingdom said on Sunday that levels of trust between the two powers was low ahead of Brexit talks on the Northern Ireland protocol this week, but added that he was confident it would improve. "The levels of trust are low right now," Joao Vale de Almeida told Times Radio. "We ultimately need to re-establish a minimum level of trust that allows us to find solutions, but this being said...I remain confident that we can get there." (Reuters)
- **UK's Frost says EU needs to change tack for N.Ireland talks** – British negotiator David Frost said on Sunday that the European Union needs to change its attitude if talks this week on the Northern Irish Brexit protocol are to be successful. "The EU needs a new playbook for dealing with neighbors, one that involves pragmatic solutions between friends, not the imposition of one side's rules on the other and legal purism," Frost wrote in an opinion piece published by the Financial Times. (Reuters)
- **Japan govt to vow fiscal reform, action to avert deflation** – fiscal blueprint draft – Japan's government will pledge to take steps "without hesitation" to prevent the economy from slipping back into deflation, a draft of its economic and fiscal blueprint obtained by Reuters showed. The government will also promise to "strive" for fiscal reform and voice hope that the Bank of Japan achieve its 2% inflation target with an eye on economic, price and financial developments, the draft showed. (Reuters)
- **China's May exports rise 27.9% YoY, imports +51.1% YoY** – China's exports rose 27.9% in May from a year earlier, missing forecasts, while imports increased 51.1%, customs data showed on Monday, as the world's second-largest economy continued its recovery from last year's pandemic slump. Analysts in a Reuters poll of economists had forecast exports would jump 32.1% from year earlier and for imports to rise 51.5%. China posted a trade surplus of \$45.53bn in May, compared with the poll's forecast for a \$50.5bn surplus and widening from \$42.86bn surplus in April. (Reuters)
- **Moody's: China three-child policy may not change national birthrate** – Rating agency Moody's Investors Service said on Monday that China's new policy allowing couples to have up to three children could support fertility, but was unlikely to dramatically change the national birthrate. The rating agency said that the policy highlighted the risk of aging across emerging markets in Asia. "And although China's new policy allowing couples to have up to three children could support fertility, it is unlikely to dramatically change the national birthrate, meaning that aging will remain a credit-negative constraint", Moody's said in a statement. (Reuters)

#### **Regional**

- **World's top oil trader Vitol sees OPEC+ controlling crude market** – OPEC+ appears in control of crude prices as US

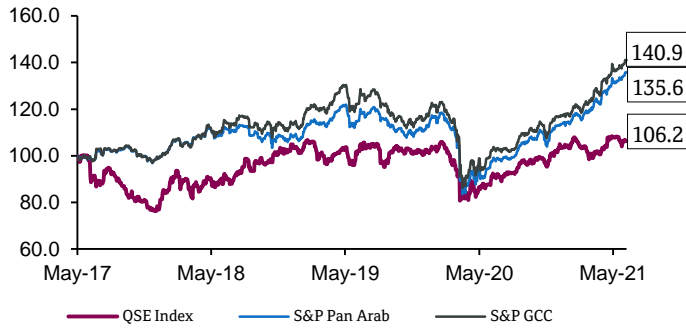
production is lagging pre-pandemic levels, according to a senior executive at the world's biggest independent oil trader, Vitol Group. The decline in US drilling and output leaves little competition to efforts by the producers' group to manage markets, Vitol's Head of Asia, Mike Muller said during an online conference. (Peninsula Business)

- **Moody's assigns (P)A1 rating to Saudi Aramco's new Sukuk program** – Moody's has assigned a (P)A1 rating to Saudi Arabian Oil Company's (Saudi Aramco) new trust certificate issuance program. This Sukuk program is established under SA Global Sukuk Limited, a special purpose company incorporated in the Cayman Islands. SA Global Sukuk Limited has been assigned a negative outlook in line with the negative outlook on existing ratings of Saudi Aramco. All other ratings for Saudi Aramco are unchanged, including its A1 long-term issuer rating, its Aaa.sa long-term issuer national scale rating, its (P)A1 Global MediumTerm Note (GMTN) program rating and A1 ratings on existing senior unsecured bond issuances. The decision to assign a (P)A1 rating to the Sukuk program reflects Moody's view that certificate holders will effectively be exposed to Saudi Aramco's senior unsecured credit risk. This is because certificate holders (1) only have rights against Saudi Aramco under the transaction documents, and these rights rank pari passu with other senior unsecured obligations of the company; (2) are not exposed to the performance risk of the asset portfolio relating to the certificates; and (3) will not have any preferential claim or recourse over the relevant trust assets. The Sukuk structure is a combination of an Ijara (asset sale and lease back transaction) and Murabaha (commodity purchased and sold on a deferred payment basis). Moody's rating of the Sukuk program does not express an opinion on the Sukuk structure's compliance with Shari'ah law. Saudi Aramco's A1 rating reflects (1) a very large operational scale as the world's largest oil producer with access to one of the world's largest hydrocarbon reserves; (2) proven execution track record of implementing large scale upstream and downstream projects with significant focus on downstream integration; and (3) a strong financial profile with very low production costs and modest debt in its capital structure as evidenced by a Moody's-adjusted debt/book capitalization of 32.5% for YE2020. The rating also reflects (1) credit linkages with the Government of Saudi Arabia (A1 negative) which constrains Saudi Aramco's rating, particularly given the government's high fiscal reliance on hydrocarbon related revenues; (2) exposure to crude oil price volatility which creates significant fluctuations in cash flows; and (3) geographic concentration risk with most of the cash flows derived from assets located in Saudi Arabia. (Bloomberg)
- **Saudi Arabia finalizes plan to provide support to sports clubs** – Saudi Arabia has finalized a plan to provide support to sports clubs, state TV reported, citing the Sports Minister, Prince Abdulaziz bin Turki al-Faisal. According to a comment by the provincial government of the Mecca region, some soccer clubs in the professional league received more than SR100mn in support in the 2020-2021 season. (Reuters)
- **Emirates Development Bank said to plan second-ever sale of Dollar debt** – Emirates Development Bank, wholly owned by the federal government of the UAE is planning to sell its second-ever international bonds as soon as this month, according to sources. Emirates Development Bank, which started operations in 2015 and provides financing to citizens and small- and medium-sized enterprises, could raise \$750mn or more, the sources said. The money would go toward supporting companies in sectors considered a priority for the economy, the people said. The bank's debt is assigned the fourth-highest investment grade from Fitch Ratings, the same as the sovereign. (Bloomberg)
- **Outlook for UAE leisure travel, tourism improves; vaccine passports can help** – Mashreq Bank has forecast an improved

outlook for the UAE's leisure travel and tourism industry as more people are getting vaccinated, but it cautioned that challenges will persist for certain segments of the industry. "The outlook for leisure travel has improved with the rollout of vaccines. Strategic initiatives by the government are helping in strengthening the recovery," the bank's latest industry briefing stated. However, the bank said it might take some time for corporate travel to return and that the entire hospitality business will still continue to face "hurdles" this year. "While hotel occupancy in the UAE will gradually recover on the back of increased domestic tourism and return of international travelers, business travel will not return to pre-pandemic levels in the foreseeable future," Managing Director and global Head of real estate finance and advisory at Mashreq Bank, Zain Qureshi said. (Zawya)

- **Dubai's Emaar says sales have leapt 250% YoY** – Emaar Properties saw its sales surge by 250% in the first five months of 2021 compared with the same period last year. According to the developer, its total sales reached AED10.5bn compared with AED3bn in the same period last year. Emaar founder, Mohamed Alabbar said: "These numbers demonstrate once again the resilience of our group, the quality of our products and the passion of our customers and our employees." He added: "I am confident that the Dubai property market is once again a growth story for developers, in light of the UAE's wise policies, with Emaar perfectly positioned to capitalize on this." (Zawya)
- **Deyaar approves AED500mn settlement with Limitless** – The Dubai property developer, Deyaar has approved AED500mn settlement with Limitless that includes cash and land. The final draft of settlement is expected to be ready in the next few months. (Bloomberg)
- **Oman said to plan second debt sale in 2021 with Dollar Sukuk** – Oman has started talks with banks for a potential Islamic bond sale this year, according to sources. The Gulf nation's discussions are still preliminary, the sources said. Oman last tapped the international debt market in January, when it raised \$3.25bn. The country's debt is rated junk by all three major credit assessors. Oman's public finances, long among the weakest in the Gulf Arab region, remain vulnerable to oil-price swings and disruptions from the global pandemic. The Finance Ministry has said that as of end-March it was more than halfway to meeting its total funding needs of \$10.9bn for this year, thanks to borrowing and drawdowns from the country's wealth fund. (Bloomberg)

## Rebased Performance

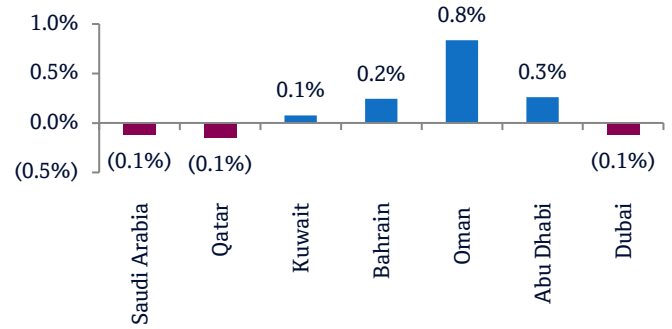


Source: Bloomberg

Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,891.59	1.1	(0.6)	(0.4)
Silver/Ounce	27.79	1.3	(0.5)	5.3
Crude Oil (Brent)/Barrel (FM Future)	71.89	0.8	3.2	38.8
Crude Oil (WTI)/Barrel (FM Future)	69.62	1.2	5.0	43.5
Natural Gas (Henry Hub)/MMBtu	2.97	(1.3)	4.6	24.3
LPG Propane (Arab Gulf)/Ton	91.75	1.0	3.1	21.9
LPG Butane (Arab Gulf)/Ton	99.00	2.3	5.9	42.4
Euro	1.22	0.3	(0.2)	(0.4)
Yen	109.52	(0.7)	(0.3)	6.1
GBP	1.42	0.4	(0.2)	3.6
CHF	1.11	0.5	0.1	(1.6)
AUD	0.77	1.1	0.4	0.6
USD Index	90.14	(0.4)	0.1	0.2
RUB	72.78	(0.6)	(0.5)	(2.2)
BRL	0.20	0.6	3.5	2.9

## Daily Index Performance



Source: Bloomberg

Source: Bloomberg (\*\$ adjusted returns)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,997.36	0.8	0.6	11.4
DJ Industrial	34,756.39	0.5	0.7	13.6
S&P 500	4,229.89	0.9	0.6	12.6
NASDAQ 100	13,814.49	1.5	0.5	7.2
STOXX 600	452.57	0.7	0.5	12.8
DAX	15,692.90	0.7	0.8	13.2
FTSE 100	7,069.04	0.5	0.4	13.5
CAC 40	6,515.66	0.5	0.2	16.8
Nikkei	28,941.52	0.3	(0.5)	(0.6)
MSCI EM	1,381.56	(0.1)	1.5	7.0
SHANGHAI SE Composite	3,591.85	0.3	(0.7)	5.6
HANG SENG	28,918.10	(0.1)	(0.6)	6.2
BSE SENSEX	52,100.05	(0.0)	0.7	9.4
Bovespa	130,125.80	0.8	7.0	11.5
RTS	1,647.06	0.6	2.7	18.7

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