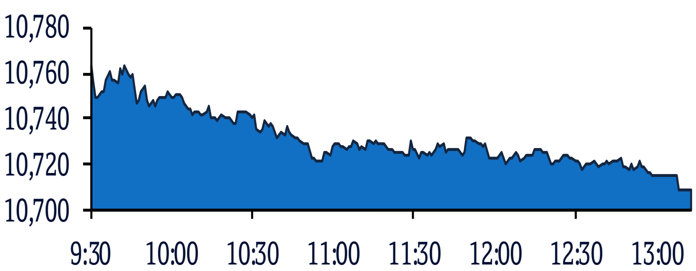
Daily Market Report

Tuesday, 08 June 2021

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.3% to close at 10,708.4. Losses were led by the Telecoms and Industrials indices, falling 0.6% each. Top losers were Qatar General Insurance & Reinsurance Co. and Qatar Industrial Manufacturing Co., falling 2.5% and 2.1%, respectively. Among the top gainers, Qatar Cinema & Film Distribution gained 3.1%, while Alijarah Holding was up 1.1%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.3% to close at 10,719.9. Gains were led by the Media & Entertainment and Capital Goods indices, rising 5.5% and 3.6%, respectively. Astra Industrial Group rose 10.0%, while Al Yamamah Steel Industries Co. was up 9.9%.

Dubai: The DFM Index gained 0.6% to close at 2,839.0. The Real Estate & Construction index rose 1.4%, while the Investment & Fin. Serv. index gained 0.9%. National Industries Group rose 14.8%, while Takaful Emarat Ins. was up 11.3%.

Abu Dhabi: The ADX General Index gained 0.3% to close at 6,646.1. The Investment & Financial Services index rose 0.6%, while the Telecommunication index gained 0.5%. National Takaful Company rose 15.0%, while Sharjah Cement & Industrial Development Company was up 10.0%.

Kuwait: The Kuwait All Share Index gained 0.1% to close at 6,270.7. The Utilities index rose 3.0%, while the Consumer Staples index gained 1.1%. Metal & Recycling Co. rose 11.6%, while Kuwait Reinsurance Co. was up 10.0%.

Oman: The MSM 30 Index gained marginally to close at 3,967.1. Gains were led by the Services and Financial indices, rising 1.0% and 0.2%, respectively. Al Maha Petroleum Products Marketing Co. rose 6.7%, while Muscat Finance was up 3.8%.

Bahrain: The BHB Index fell 0.3% to close at 1,537.3. The Hotels & Tourism index declined 3.4%, while the Commercial Banks index fell 0.5%. Gulf Hotel Group declined 4.6%, while BBK was down 1.2%.

Market Indicators	07 Jun 21	06 Jun 21	%Chg.
Value Traded (QR mn)	399.7	379.9	5.2
Exch. Market Cap. (QR mn)	622,962.3	625,406.8	(0.4)
Volume (mn)	167.6	204.3	(18.0)
Number of Transactions	9,229	8,005	15.3
Companies Traded	47	48	(2.1)
Market Breadth	15:31	20:24	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,197.97	(0.3)	(0.4)	5.7	18.1
All Share Index	3,404.45	(0.3)	(0.4)	6.4	18.9
Banks	4,482.50	(0.2)	(0.5)	5.5	15.6
Industrials	3,541.72	(0.6)	(0.6)	14.3	27.2
Transportation	3,378.41	(0.6)	(0.3)	2.5	22.6
Real Estate	1,886.45	(0.5)	(0.3)	(2.2)	17.9
Insurance	2,642.40	(0.3)	0.1	10.3	23.7
Telecoms	1,062.83	(0.6)	(1.0)	5.2	28.2
Consumer	8,210.04	0.2	0.0	0.8	28.7
Al Rayan Islamic Index	4,601.79	(0.2)	(0.4)	7.8	19.7

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Kingdom Holding Co.	Saudi Arabia	10.64	3.5	3,844.2	33.8
Almarai Co.	Saudi Arabia	58.90	3.2	2,338.8	7.3
Oman Arab Bank	Oman	0.16	2.6	80.0	(15.8)
Savola Group	Saudi Arabia	41.40	2.0	3,010.9	(2.6)
Mouwasat Medical Serv.	Saudi Arabia	187.00	1.7	195.5	35.5

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Cement Co.	Saudi Arabia	65.20	(2.3)	434.2	6.0
Mesaieed Petro. Holding	Qatar	1.91	(1.3)	5,757.7	(6.5)
Ominvest	Oman	0.31	(1.3)	62.9	(7.1)
Banque Saudi Fransi	Saudi Arabia	36.75	(1.2)	499.9	16.3
BBK	Bahrain	0.49	(1.2)	15.7	6.7

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%
Qatar Cinema & Film Distribution	4.13	3.1	50.6	3.3
Alijarah Holding	1.25	1.1	1,145.6	0.6
Zad Holding Company	15.78	1.0	4.5	16.4
Qatar National Cement Company	5.10	0.8	92.8	22.9
Aamal Company	1.03	0.8	9,298.2	20.2

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	1.00	(0.6)	18,329.8	54.2
Investment Holding Group	1.09	(2.0)	15,325.6	82.0
Qatar Aluminum Manufacturing Co	1.59	(1.5)	14,879.9	63.9
Mazaya Qatar Real Estate Dev.	1.14	(0.7)	14,394.1	(9.6)
Baladna	1.60	(0.7)	13,953.1	(10.6)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	2.14	(2.5)	619.9	(19.4)
Qatar Industrial Manufacturing Co	2.89	(2.1)	256.5	(9.8)
Investment Holding Group	1.09	(2.0)	15,325.6	82.0
Qatar Aluminum Manufacturing	1.59	(1.5)	14,879.9	63.9
Qatar Oman Investment Company	1.06	(1.5)	9,406.1	19.5

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.70	(0.6)	37,354.0	(0.7)
Qatar Insurance Company	2.49	0.2	31,231.7	5.3
Qatar Islamic Bank	17.25	0.3	26,573.2	0.8
Qatar Aluminum Manufacturing	1.59	(1.5)	23,703.6	63.9
Baladna	1.60	(0.7)	22,522.7	(10.6)

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*	10,708.42	(0.3)	(0.4)	(0.4)	2.6	108.19	168,511.3	18.1	1.6	2.7
Dubai	2,839.01	0.6	0.5	1.5	13.9	84.78	105,981.6	21.3	1.0	2.8
Abu Dhabi	6,646.14	0.3	0.6	1.3	31.7	372.59	254,394.2	22.4	1.9	3.7
Saudi Arabia	10,719.85	0.3	0.2	1.6	23.4	3,973.31	2,597,133.2	35.2	2.4	1.9
Kuwait	6,270.69	0.1	0.2	1.0	13.1	219.76	118,976.1	39.8	1.6	2.0
Oman	3,967.11	0.0	0.9	3.0	8.4	12.12	29,627.9	12.1	0.7	4.6
Bahrain	1,537.28	(0.3)	(0.1)	0.6	3.2	6.54	23,723.5	26.4	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 0.3% to close at 10,708.4. The Telecoms and Industrials indices led the losses. The index fell on the back of selling pressure from Arab and foreign shareholders despite buying support from Qatari and GCC shareholders.
- Qatar General Insurance & Reinsurance Co. and Qatar Industrial Manufacturing Co. were the top losers, falling 2.5% and 2.1%, respectively. Among the top gainers, Qatar Cinema & Film Distribution gained 3.1%, while Alijarah Holding was up 1.1%.
- Volume of shares traded on Monday fell by 18.0% to 167.6mn from 204.3mn on Sunday. Further, as compared to the 30-day moving average of 222.8mn, volume for the day was 24.8% lower. Salam International Investment Ltd. and Investment Holding Group were the most active stocks, contributing 10.9% and 9.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	42.19%	35.57%	26,443,899.6
Qatari Institutions	27.44%	27.35%	365,322.9
Qatari	**69.63%**	**62.92%**	**26,809,222.4**
GCC Individuals	0.84%	0.81%	100,649.3
GCC Institutions	1.37%	0.89%	1,904,093.5
GCC	**2.21%**	**1.70%**	**2,004,742.7**
Arab Individuals	10.90%	11.80%	(3,594,609.1)
Arab Institutions	0.00%	0.00%	–
Arab	**10.90%**	**11.80%**	**(3,594,609.1)**
Foreigners Individuals	3.02%	6.06%	(12,182,179.4)
Foreigners Institutions	14.25%	17.51%	(13,037,176.7)
Foreigners	**17.27%**	**23.58%**	**(25,219,356.1)**

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

Ratings

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Industries Qatar	S&P	Qatar	CR	A+	A+	–	Stable	–

Source: News reports, Bloomberg (*CR – Company Ratings)

News

Qatar

- **S&P reaffirms Industries Qatar credit ratings at 'A+' with 'stable' outlook –** Industries Qatar (QE Ticker: IQCD), one of the region's industrial giants with holdings in petrochemicals, fertilizers and steel producers, announced today that international credit rating agency, Standard & Poor's Financial Services (S&P), has reaffirmed IQCD's credit ratings at 'A+' with a 'stable' outlook. The reaffirmation of credit rating was based on S&P's annual review of IQCD's current and future financial and operational performance, and financial position, where consideration was given to several factors including, IQCD's robust liquidity profile, strong competitive market position, prudent financial policy, product and end-market diversity, along with greater integration with the Parent entity (Qatar Petroleum). In a report published by S&P on June 07, 2021, the rating agency cited that "IQCD's prudent financial policy and strong cash flow support very strong credit metrics". S&P considered the business risk to be 'satisfactory' with 'minimal' financial risk. This underscores IQCD's superior profitability margins and robust operating cash flows benefiting from competitively priced feedstock, efficient assets, higher capacity utilization and synergies among Group companies. (QSE, Gulf-Times.com)
- **Forbes ranks QIBK among top 100 companies in Mideast, 2nd top firm in Qatar –** Qatar Islamic Bank (QIBK) was ranked #18 out of 'Top 100 Companies in the Middle East' by Forbes Middle East Magazine's annual ranking of the top 100 listed companies in the region for 2021. The bank was ranked 'second top company in Qatar' according to the same ranking. The new ranking reflects QIBK's continuous improvement in performance and stability, its ability to withstand business continuity considering the Covid-19 pandemic, and its success in maintaining its longstanding position as Qatar's largest private bank, the largest Islamic bank in the country, and a leading Islamic bank regionally. Featuring the largest, most valuable, and profitable companies in the region, Forbes' selection of Top 100 Companies in the Middle East is based on collected data from listed stock exchanges in the Arab countries, and ranks companies based on four elements, including market value, sales, assets, and profits. The ranking was revealed in Forbes Middle East's June 2021 issue, featuring Bassel Gamal, QIBK's Group CEO. (Gulf-Times.com)
- **CNA-Q and Qatargas sign agreement for Incident Command System training –** College of the North Atlantic – Qatar (CNA-Q) recently signed a five-year agreement with Qatargas to co-facilitate accredited Incident Command System (ICS) training for their staff. Under the five-year agreement, CNA-Q will provide the technical support, specialized equipment, facilities and personnel to train more than 500 Qatargas technical staff, subject matter experts and managers over the five-year period. The Continuing and Professional Education Department at CNA-Q has been co-delivering ICS training since April 2019 aimed at meeting the growing demands of crisis response management in the country, and as part of the College's continuing and professional education mandate, according to a press statement. (Gulf-Times.com)
- **Doha Bank CEO Seetharaman: Cybersecurity culture development need of the hour –** Development of a cybersecurity culture is the need of the hour, Doha Bank CEO R Seetharaman has said while addressing the two-day CyberX Qatar webinar that began on Monday. "Cybersecurity is not just a

technology issue; it's a business risk that requires an enterprise-wide response," he said. "Cybersecurity is also a strategic risk for financial sector as its failure could damage the reputation of a brand and erode its share value and market confidence. It can also impact the financial and intellectual property resulting in loss of competitive edge and can cause system inoperability caused by a breach resulting in inability to execute trades and access to information." G7 countries simulated cross-border cyber-attack on banks in May 2019 and are also concerned with cyber-attack during COVID-19, he added. Highlighting technology developments and their impact on cyber security, Seetharaman said, "More disruptive advanced technologies are changing the paradigm of banking. At the same time, the cyber threats are increasing rapidly. Increased web based Banking channels and interfaces to provide convenient services to customers, the more Cyber threats and challenges. Data is central to contemporary data-driven businesses and mandates a business-relevant strategy for the governance and growth of such vital assets. "Data governance programs and initiatives are undertaken by enterprises with the goal of increasing revenue and profitability, enhancing the value of services, products, and decision-making, managing cost and complexity, and/or increasing awareness of risk and/or vulnerability." (Qatar Tribune)

- **Qatar commercial banks' domestic credit jumps 11.21% to QR1.11tn in April –** Qatar's commercial banks' local currency credit to semi-government entities and the government sector as well as the foreign currency credit to the real estate sector were seen considerably outpacing the overall domestic credit expansion YoY this April, according the central bank data. The foreign currency credit to government institutions, semi-government institutions, general services and industrials was seen higher than that in local currency terms in absolute value in the review period, said the data of the Qatar Central Bank. The commercial banks' domestic credit was seen expanding 11.21% YoY to QR1.11tn in April this year. The credit to the government sector in local and foreign currency was QR123.23bn and QR46.53bn, expanding robustly 91.33% and 4.26% respectively in the review period. The credit to semi-government institutions in local and foreign currency registered a sharp 47.22% and 16.59% expansion YoY to QR4.13bn and QR11.33bn respectively. The credit to the private sector corporates in local and foreign currency denomination was seen growing 5.83% and 2.8% to QR258.92bn and QR192.83bn respectively in April 2021. The credit to the government institutions in local currency denomination was declined by a marginal 0.32% YoY to QR73.97bn; while those in foreign currency was seen gaining 8.39% to QR132.84bn in the review period. In segment-wise performance, the services saw 12.14% and 4.37% expansion in local and foreign currency denomination to QR118.44bn and QR219.61bn respectively in April 2021. Within services, the credit to general services in local and foreign currency denomination was seen expanding 13.49% and 4.67% to QR89.36bn and QR211.66bn respectively this April. The credit to financial services in local currency expanded 8.18% YoY to QR29.08bn; whereas that in foreign currency was seen declining 3.05% to QR7.95bn in April this year. The credit to the realty sector in foreign currency denomination saw a substantial 51.98% year-on-year surge to QR32.98bn, whereas that in the local currency declined by a marginal 1.13% to QR173.88bn in the review period. The consumption loans in local currency term saw 13% YoY to QR153.19bn, while that in foreign currency was down 4.21% to QR3.87bn in April 2021. The credit to Qataris in local currency terms showed a 17.57% YoY growth to QR142.45bn, whereas that in foreign currency eased 4.22% to QR3.86bn in the review period. In the case of non-Qataris, the credit in terms of local currency witnessed a 25.4% yearly decline to QR10.75bn; whereas that in foreign currency denomination was flat at QR0.01bn in April 2021. The credit to trading segment in local and foreign currency was up 1.35% and 3.09% to QR80.79bn and QR79.08bn respectively this April. The credit to the industrial segment in local currency registered a sharp 42% surge YoY to QR7.37bn; whereas that in foreign currency shrank 17.01% to QR18.44bn in April this year. (Gulf-Times.com)
- **UK pipeline specialist Stats boosts Qatari operations –** UK pipeline technology specialist Stats Group has strengthened its operations in Qatar with the recent hiring of additional project engineers and technicians even as the company continues to create significant in-country value. Qatar, with the world's third largest reserves of natural gas, is a strategically important market for Stats Group. Stats provides pressurized pipeline isolation, hot tapping and plugging services to the global oil, gas and petrochemical industries, and has had a presence in Qatar since 2011, with an operational base strategically located in Doha to offer a rapid response to its clients. The company has established a strong reputation for its market leading technology in Qatar with significant awards for the supply of pipeline isolation and intervention equipment to major Qatari operators as part of their Emergency Pipeline Repair Systems (EPRS). Stats said the equipment, which is stored in Qatar, is in a state of readiness for pre-planned and emergency situations and offers a safe double block isolation solution to carry out effective repairs to both subsea and onshore pipelines, with the additional significant benefit of supporting clients progress towards their sustainability goals by reducing the need to depressurize or flare large volumes of inventory. (Bloomberg)
- **Al-Kuwari meets UK international trade minister; highlights Qatar's pro-investment policies –** HE the Minister of Commerce and Industry and Acting Minister of Finance, Ali bin Ahmed Al-Kuwari met on Monday with Ranil Jayawardena, UK Minister for International Trade, and the accompanying delegation currently visiting the country. The meeting was attended by Simon Penney, Her Majesty's Trade Commissioner for the Middle East. Bilateral trade between Qatar and the UK amounted to nearly $3bn in 2020. The UK ranks as Qatar's seventh trade partner. During the meeting, officials reviewed bilateral relations between the two countries and discussed aspects of joint cooperation, especially in trade, investment and industrial fields, as well as ways to enhance and develop them. Officials also discussed trade policies between the two countries and the efforts made by both sides in the context of confronting the COVID-19 pandemic. During the meeting, Al-Kuwari highlighted the economic policies that Qatar had adopted and its contribution to abolishing restrictions on foreign investment and creating more investment opportunities for companies looking to invest in the country. (Gulf-Times.com)
- **Qatar Chamber holds extensive meetings at SPIEF 2021 in Russia –** Qatar Chamber recently participated in St Petersburg International Economic Forum (SPIEF 2021), which took place from June 2 to 5 in the Russian Federation. The Chamber's participation came in the framework of Qatar's pavilion, which aimed to shed light on the Qatari economy and its leading position at the regional and international levels and to introduce the attractive investment environment that Qatar provides to businessmen and investors from all over the world. It also aimed to showcase the most prominent incentives, advantages and initiatives launched in order to support the private sector and enhance the competitiveness and diversification of the Qatari economy in line with the Qatar National Vision 2030. (Gulf-Times.com)
- **Ezdan: Building sales generate up to QR1.2bn in last week of May –** Qatar's property market saw building sales generating up to QR1.2bn in the last week of May, Ezdan Real Estate said. Land lots of all types generated up to QR307.4mn in sales, Ezdan

noted in a report. During the period from May 23 to 27, market activity showed that the registered property sales totaled QR1.5bn and were distributed among seven municipalities – Umm Salal, Al Khor, Al Dhakhira, Doha, Al Rayyan, Al Shamal, Al Daayen, and Al Wakra. These included the sale of vacant lands, residences, multi-use buildings, multi-use land lots and residential buildings, Ezdan said citing data released by the Real Estate Registration Department. Doha Municipality ranked first in terms of value through the sale of a tower located in The Pearl for QR1.02bn. The building spans over an area of 12,634 square meters and was sold at a price of QR7,505 per square foot. On the other hand, Al Rayan Municipality witnessed the sale of a vacant land lot in Muathir, at a value of QR68.3mn, extending over an area of 31,319 square meters. A square foot fetched QR203, Ezdan noted. (Gulf-Times.com)

- **BloombergNEF: LNG market oversupply to stick around until 2025 –** BloombergNEF forecasts global liquefied natural gas supply to rise 23% from 2020 to 2025, much higher than the 14% growth expected in structural LNG demand over the same period. This will result in between 26 to 34 million metric tons a year of balancing needed over the five-year period. Europe is expected to remain the key balancer, but markets in Asia could respond to prices and other various factors. The US and Russia will lead the new wave of supply capacity additions over the period. (Bloomberg)
- **Exchange old currency before July 1, banks remind customers –** The banks have advised citizens and expatriates to exchange old banknotes as the deadline looms to replace the old Qatari currency. The banks will continue to accept old banknotes until July 1, which is the last date to exchange such notes. "Be sure to exchange your old banknotes before July 1, 2021. In accordance with the directives of Qatar Central Bank (QCB), the deadline to exchange the old notes will be July 1, 2021," said QNB on its official twitter account, yesterday. "The exchange of old notes needs to be done before the date mentioned above. In addition, old notes can be deposited in QNB ATMs, ITMs and bulk deposit machines," it added. In February this year, the QCB had announced to extend the circulation of old banknotes until July 1, this year. QCB had stated that after the deadline, the banknotes of the fourth series will become illegal and indemnified currency, with the holder entitled to recover the value of the remaining notes from the Central Bank within a period not exceeding 10 years from the date of the withdrawal decision. Banks have made it easier for customers to exchange old notes. Customers can deposit old notes in the ATMs which are now dispensing new banknotes. Also, the banks have upgraded their ATMs and deposit machines for the new banknotes which have high-security features and new designs. (Peninsula Qatar)
- **Shura approves draft law on measures to host World Cup –** The Shura Council has welcomed Qatar as the host of the office of the General Secretariat of the Global Organization of Parliamentarians Against Corruption (GOPAC). The Council has said it values the initiatives of His Highness the Amir of State of Qatar Sheikh Tamim bin Hamad Al Thani, to combat corruption, including Sheikh Tamim Bin Hamad Al Thani International Anti-Corruption Excellence Awards for the distinguished people in this field and HH the Amir's support for GOPAC. The Shura Council meeting, chaired by Speaker HE Ahmed bin Abdullah bin Zaid Al Mahmoud, approved a draft law on measures to host the 2022 FIFA World Cup. The draft law included 43 articles divided into 10 chapters. Its articles include provisions related to the issuance of entry and work permits for workers in the tournament, the competencies of the security committee, the provisions for facilitating banking and foreign exchange operations during the tournament, issuing, selling and distributing tickets, broadcasting, advertising, transportation during the tournament, and the provisions for volunteers. (Qatar Tribune, Gulf-Times.com)
- **MoPH issues guide for best food safety standards –** The Ministry of Public Health (MoPH) has issued the 'Food Safety Practices Guide for Food Services', in line with the international best practices in the field of food safety and the requirements of relevant Gulf standards. The guide, prepared by the Department of Food Safety and Environmental Health at the MoPH in collaboration with international consultants, aims at assisting food services in Qatar in the process of compliance with Qatari laws and regulations to ensure the safety of food products. (Gulf-Times.com)
- **CROP TENDER: Qatar books 600,000 bags of sugar –** Qatar's Bludan Trading Group won a tender that closed in March to supply the country with 600,000 bags of sugar, according to the website of the Qatari Ministry of Commerce and Industry. The deal is for QR31.046mn ($8.4mn) (Bloomberg)
- **Qatar and Russia's tax practices come under European scrutiny –** Qatar and two Russian special regions have come under the European Union's microscope for their tax practices, according to a report from the group that prepares the EU's list of tax havens. Qatar, along with Jordan and North Macedonia, have been asked by the EU to agree to abolish or amend preferential regimes, as identified by the OECD Forum on Harmful Tax Practices, according to the report, prepared by the EU Code of Conduct Group (Business Taxation). It was provided as an update to EU countries, dated June 4. A Russian rule relating to two special zones where foreign holding companies can locate in return for low tax rates on income from dividends had been deemed "overall harmful," and Russia had been contacted and asked to commit to changing the regime, the report said. The Russian special zones are Oktyabrsky Island in Kaliningrad, and Russkiy in Primorsky Kray. Unless there are changes, the jurisdictions risk being added to an EU gray list of jurisdictions that need to upgrade their tax rules, the report said. Jordan is already on the gray list. In a separate black list, the EU has identified 12 mainly small island jurisdictions as non-cooperative tax havens. Under an EU public country-by-country reporting rule agreed provisionally June 2, large multinationals would have to publish details of any activities or tax payments in such jurisdictions, along with reports for each EU country. The Code of Conduct Group consists of representatives from each EU country. Checks on certain tax rules in Poland are ongoing, the report said, while checks on rules in Croatia, Italy, Lithuania and Romania have been delayed because of the pandemic. (Bloomberg Law)
- **Al-Baker meets senior Russian officials to expand bilateral relations; Qatar Airways signs MoUs with key Russian entities –** Qatar Airways Group Chief Executive HE Akbar Al-Baker has met senior Russian officials to discuss opportunities to further expand bilateral relations between Qatar and the Russian Federation in terms of tourism and air transport. During the just-concluded St Petersburg International Economic Forum (SPIEF) in St Petersburg, Russia, Al-Baker met with Alexander Beglov, Governor of St Petersburg; and Maxim Sokolov, Vice-Governor of St Petersburg; and other industry leaders, further strengthening the airline's position in the Russian market. In a statement on Monday, Qatar Airways said it concluded a "productive" participation at the SPIEF that was held under the patronage of the Russian President Vladimir Putin and attended by key opinion leaders from around the world. Being the largest investment and economy-focused event of its kind in the world featuring the State of Qatar as the guest country, Qatar Airways "impressed" participants with its "world-class product and hospitality" and signed several agreements with key Russian companies. As part of its commitment to the Russian market, the

airline signed several MoUs with significant Russian-based entities including, Volga-Dnepr and Pulkovo Airport. (Gulf-Times.com)

International

- **US Republicans vow to oppose Yellen's G7 tax deal, casting doubt on its future –** Several top US Senate Republicans on Monday rejected Treasury Secretary Janet Yellen's G7 deal to impose a global minimum corporate tax and allow more countries to tax big multinational firms, raising questions about the US ability to implement a broader global agreement. The opposition from Republicans may push President Joe Biden to attempt to use budget procedures to pass the initiatives with only Democratic votes. It left lawyers and tax experts in Washington wondering whether it could get done without crafting a new international treaty, which requires approval by a two-thirds majority in the evenly split 100-member Senate. "It's wrong for the US," Republican Senator John Barrasso said of the tax deal struck on Saturday by finance ministers from the G7 wealthy democracies. "I think it's going to be anti-competitive, anti-US, harmful for us as we try to continue to grow the economy and certainly at a time when we're coming out of a pandemic," Barrasso, who chairs the Senate Republican Conference, told reporters at the US Capitol. In the landmark agreement, G7 finance ministers agreed to pursue a global minimum tax rate of at least 15% and to allow market countries to tax up to 20% of the excess profits - above a 10% margin - of around 100 large, high-profit companies. Yellen said the "significant, unprecedented commitment" would end what she called a race to the bottom on global taxation. In exchange, G7 countries agreed to end digital services taxes, but the timing for that is dependent on the new rules being implemented. The deal could pave the way for broader buy-in by G20 countries and some 140 economies participating in international negotiations over how to tax large technology firms such as Alphabet Inc's Google, Facebook Inc , Amazon.com Inc and Apple Inc . All are expected to be included in the new, broader mechanism, which is targeted for a final international agreement in October. Republican Senator Pat Toomey said the deal would drain tax revenues away from the US Treasury to other countries, adding that he hoped some Democrats would be unwilling "to subject the American economy to this kind of misery." "There will be no Republican support for this, and they'll have to do this on a party-line vote. That needs to fail," Toomey told Fox Business Network. (Reuters)
- **US consumers sour on housing market's buying conditions –** A record-low percentage of US consumers believe now is a good time to buy a home, with worries about surging prices and a small supply of houses on the market outweighing improved sentiment about their jobs and income, a survey from home financing giant Fannie Mae showed on Monday. The percentage of consumers who said it is a good time to buy a home declined in May to 35% from 47%, Fannie Mae said in its monthly survey of the US housing market. This reading, the lowest since Fannie Mae began the survey about a decade ago, marked the second straight monthly decline and represented a drop of 18 percentage points since March. In comparison, the percentage of consumers indicating that now is a bad time to purchase a home increased to 56% from 48% last month. The data is part of Fannie Mae's Home Purchase Sentiment Index (HPSI), which increased by 1.0 point to 80.0 last month and is up 12.5 points from a year earlier. The index's record high was 93.8 in August 2019. "The 'good time to buy' component fell further - hitting another all-time survey low – as consumers appear to be acutely aware of higher home prices and the low supply of homes, the two reasons cited most frequently for that particular sentiment," Fannie Mae Chief Economist Doug Duncan said in a statement. The improvement of a US economy that had been battered by the COVID-19 pandemic has left a challenging environment for home buyers. The Mortgage Bankers Association (MBA) reported last Wednesday that its seasonally adjusted Purchase Index decreased 4% from a week prior to the lowest in more than a year. (Reuters)
- **Blinken signals possible resumption of US-Taiwan trade, investment talks –** US Secretary of State Antony Blinken on Monday signaled a possible resumption of trade and investment talks with Taiwan stalled since the Obama administration, but gave no indication of any willingness to pursue a full-scale trade pact Taipei has been seeking. At a House Foreign Affairs Committee hearing on the US State Department's annual budget request, Blinken was asked about the Biden administration's position on a bilateral trade agreement with Taiwan. "I'd have to refer you to Katherine Tai, the US Trade Representative, but I know we are engaged in conversations with Taiwan, or soon will be, on some kind of framework agreement, and those conversations should be starting." Any such agreement is likely to irritate China, which claims Taiwan as its own territory. Asked about Blinken's comment, a spokesperson for the US Trade Representative's office said, "the US believes it is important to continue strengthening our bilateral trade relationship with Taiwan," but added: "we have no meetings to announce at this time." A spokesman for Taiwan's representative office in Washington said: "We are working to engage in discussions with USTR, which will hopefully lead to progress in our bilateral trade relationship." Bonnie Glaser, a Taiwan expert at the German Marshall Fund of the United States, said Blinken's comment was a signal Washington was likely to move forward with a resumption of Trade Investment Framework Talks (TIFA) with Taiwan that have not been held since the Obama administration. She said the administration had probably not made a decision on whether to take the much larger step of pursuing a bilateral trade agreement with Taiwan, however. "Senior Biden administration officials have been encouraging USTR Tai to hold a round of the TIFA talks, and Taipei is eager to do this as soon as possible," Glaser said. She said Taiwanese President Tsai Ing-wen was keen to show some progress on trade talks with the United States ahead of an August referendum that could reverse her January decision to lift remaining restrictions on imports of US pork and beef. TIFA talks stalled after former President Barack Obama left office in 2016 and his successor Donald Trump's trade representative, Robert Lighthizer, focused on trade talks with China. Glaser said China would likely criticize a TIFA resumption out of concern that the talks could eventually lead to a free trade agreement and embolden other countries, such as Britain, to launch trade negotiations with Taiwan. "China also will see such talks as part of a Biden strategy to strengthen ties with Taiwan and what they see as a diminishing US commitment to One China," she said, referring to the long-standing US policy of recognizing Beijing rather than Taipei. (Reuters)
- **YouGov : UK consumer sentiment rises to 5-year high as lockdown eases –** British consumer sentiment rose last month to its highest level since April 2016, bolstered by expectations of greater job security and rising house prices, polling company YouGov said on Monday. The YouGov/Cebr figures add to signs of a rapid rebound in Britain's economy in the second quarter when lockdown restrictions in place since the start of the year eased for many retailers, pubs and restaurants. "Undeterred by the unusually wet weather last month, UK consumers have clearly made the most of their newfound freedoms and spent freely in shops and the hospitality sector," said Kay Neufeld, head of forecasting at economic consultants Cebr. Economists polled by Reuters expect on average that April gross domestic product data due on Friday will show a 2.2% rise from March and will be a massive 27.6% higher than a year earlier, when Britain was in the

depths of its first lockdown. The biggest contribution to the increase in the YouGov/Cebr index came from components measuring house prices and expected job security. Mortgage lender Halifax reported earlier on Monday that house prices last month were 9.5% above their level a year earlier, the biggest increase in nearly seven years. Business surveys also point to a sharp bounce back. But the picture is more muted from Britain's longest-running survey of consumer sentiment, which does not ask about house prices and places a greater weight on households' experience over the past year. This measure, published by GfK, shows sentiment back at roughly its pre-pandemic level in April. (Reuters)

- **Halifax: UK house prices rise by most since 2014 –** British house prices in May were 9.5% higher than a year earlier, their biggest annual increase since June 2014, adding to signs of a boom in the property market, figures from mortgage lender Halifax showed on Monday. Britain's housing market has seen a sharp rise in sales and prices over the past year, thanks to a government tax incentive for movers and a jump in demand for more spacious properties from richer households able to work from home. "Heading into the traditionally busy summer period, market activity continues to be boosted by the government's stamp duty holiday, with prospective buyers racing to complete purchases in time to benefit from the maximum tax break ahead of June's deadline," Halifax managing director Russell Galley said. House prices in May were 1.3% higher than in April, when they rose by 1.5%. Economists polled by Reuters had on average forecast a 1.2% monthly increase and a 10.0% annual rise. Other measures of house prices have also shown big increases. Britain's official house price index showed that house prices based on transactions completed in March were 10.2% higher than a year before, the biggest rise since August 2007. Halifax said it expected upward pressure on house prices would outlive the stamp duty reduction, which will be phased out between July and October. "The current strength in house prices also points to a deeper and long-lasting change as buyer preferences shift in anticipation of new, post-pandemic lifestyles," Galley said. "Greater demand for larger properties with more space might warrant an increased willingness to spend a higher proportion of income on housing," he added. (Reuters)
- **German industrial orders fall unexpectedly in April –** German industrial orders dropped unexpectedly in April on falling domestic demand, data showed on Monday, suggesting that manufacturers in Europe's largest economy are still feeling the effects of lockdowns to contain the coronavirus pandemic. The data published by the Federal Statistics Offices showed orders for industrial goods fell by 0.2% in seasonally adjusted terms. This confounded a Reuters forecast of a 1.0% rise and came after an upwardly revised increase of 3.9% in March. (Reuters)
- **China's imports grow at fastest pace in decade as materials prices surge –** China's imports grew at their fastest pace in 10 years in May, fueled by surging demand for raw materials, although export growth slowed more than expected amid disruptions caused by COVID-19 cases at the country's major southern ports. While a brisk recovery in developed markets has bolstered demand for Chinese products, a global semiconductor shortage, higher raw material and freight costs, logistics bottlenecks and a strengthening yuan have dimmed the outlook for the world's largest exporting nation. China's exports in dollar terms in May grew 27.9% from a year earlier, slower than the 32.3% growth reported in April and missing analysts' forecast of 32.1%. "Exports surprised a bit on the downside, maybe due to the COVID cases in Guangdong province which slowed down the turnover in Shenzhen and Guangzhou ports," said Zhiwei Zhang, chief economist at Pinpoint Asset Management, adding that turnover at ports in Guangdong will likely remain slow in June. Major shipping companies warned clients of worsening congestion at Shenzhen's Yantian port in Guangdong province after the discovery of several cases among port staff. On the ground in Guangdong, factories have yet to report widespread capacity cuts over the outbreak but admitted efficiency issues as they tried to meet overseas demand. Chen Linsheng, chief operating officer at Anlan, a Shenzhen-based manufacturer of skincare and beauty-care devices, told Reuters while there was no impact on production, staff are now subject to a series of COVID tests and not allowed back into the factory without a negative result. "We are not allowed going out (of the city). We need to report in advance and cannot even go to Guangzhou or Foshan on our own," said Chen, adding that a lot of meetings have moved back online. Besides the impact of COVID cases in Guangdong, the global chip shortage has started to hit all of China's export items related to semiconductors, said Iris Pang, Greater China chief economist at ING. For example, auto processing products and parts, the biggest export item, fell 4% from a year earlier, Pang added. Two-year average growth for exports dropped to 23.4% in May from 36.3% in April, pointing to weaker export momentum as the reopening of developed economies reduce demand for personal protective equipment (PPE) and work-from-home (WFH) products, analysts at Nomura said in a note. At the same time, the currency's extended rally in recent weeks to near three-year highs against the dollar could further saddle US consumers with higher prices. (Reuters)
- **China's May forex reserves rise to $3.22tn –** China's foreign exchange reserves, the world's largest, rose more than expected in May, official data showed on Monday, as the US dollar weakened. The data showed China's foreign exchange reserves rose $23.62bn to $3.22tn last month, compared with $3.208tn seen in a Reuters poll of analysts and $3.198tn in April. Foreign inflows into Chinese stocks and bonds have been strong as China gallops ahead of other major economies in its recovery from the coronavirus pandemic. The yuan rose 1.6% against the dollar in May, while the dollar fell 1.6% during that month against a basket of other major currencies. China held 62.64mn fine troy ounces of gold at the end of May, unchanged from the end of April. The value of China's gold reserves rose to $119.02bn at the end of May from $110.73bn at the end-April.
- **Japan bond trade shrinks to two-decade low, dashes BOJ hope to revive market –** Japan's government bond market saw trading volume dwindle to a nearly two-decade low in May, dashing central bank hopes that a clarification of its policy intentions in March would revitalize a market made dormant by its huge presence. In a policy review in March to address the side-effects of prolonged monetary easing, the BOJ clarified that it would allow 10-year yields to move 50 basis points around its 0% target. The central bank also trimmed bond buying in market operations in the hope a hands-off approach would prod investors to trade bonds more freely. But trading volume for newly issued 10-year Japanese government bonds (JGB) stood at 339bn yen ($3.10bn) in May, according to Refinitiv data, marking the lowest level on a monthly basis since May 2002. "Markets believe the BOJ won't be able to head either toward a tightening or an easing of monetary policy," Koichi Sugisaki, a strategist at Morgan Stanley MUFG Securities, said on why JGB markets were not moving. Unlike in the US and Europe, where inflation is ticking up, Japan's consumer prices have slipped in recent months as a slow vaccine rollout and a resurgence in COVID-19 infections cool spending and economic growth. That has reinforced market expectations the BOJ will maintain ultra-loose policy longer than other central banks to achieve its elusive 2% inflation target. Under yield curve control, the BOJ guides short-term rates at -0.1% and 10-year yields around 0%. It also buys huge sums of JGBs and risky assets to flood markets with cash. The BOJ is

sandwiched between the need to keep rates low to support the economy, and mitigate the side-effects of prolonged easing such as dwindling liquidity in the bond market. Policymakers are clinging to hope yields will start moving more if external factors, such as prospects of policy normalization by the US Federal Reserve, boost market trading. "I'm somewhat disappointed that bond yields aren't moving much," BOJ board member Hitoshi Suzuki told a news conference on May 31, when asked about JGB moves after the March review. "I'm hoping yields will move a bit more and believe they will indeed move more when markets see more medium- to long-term factors to trade on," he said.

- **Japan April current account surplus 1.3218tn Yen –** Japan's current account surplus stood at 1.3218tn Yen ($12.10bn) in April, Ministry of Finance data showed on Tuesday. That compared with economists' median forecast for a surplus of 1.50tn Yen in a Reuters poll.
- **Japan upgrades 1Q GDP on smaller hit to domestic demand –** Japan's economy shrank at a slower-than-initially reported pace in the first quarter, on smaller cuts to plant and equipment spending, but the coronavirus pandemic still dealt a huge blow to overall demand. The slower contraction provides a relief for policymakers hoping Japan's economic recovery will not lag those of other major economies, which have rolled out COVID-19 vaccines much quicker to bring the health crisis to an end. The revised decline was mainly due to a smaller fall in public and capital spending, which both eased less than initially thought in the quarter, offsetting a slightly larger fall in private consumption. The economy declined an annualized 3.9% in January-March, not as bad as the preliminary reading of an annualized 5.1% contraction, but still posting the first fall in three quarters, Cabinet Office data showed Tuesday. The reading, which was better than economists' median forecast for a 4.8% decline, equals a real quarter-on-quarter contraction of 1.0% from the prior quarter, versus a preliminary 1.3% drop. "Overall, capital spending and private consumption remained weak, which showed weakness in domestic demand," said Takeshi Minami, chief economist at Norinchukin Research Institute. "The vaccine issue is the most important thing for the (economic) recovery," he said, adding that the vaccination rate would need to come to about 50% to boost the country's economic recovery prospects. Capital spending shrank 1.2% from the prior quarter, better than a preliminary 1.4% decrease, and matching the median forecast for a 1.2% loss. Government consumption fell 1.1%, a smaller drop than a preliminary 1.8% decline. Private consumption, which makes up more than half of gross domestic product, dropped 1.5% from the previous three months, worse than the initial estimate of an 1.4% drop. Net exports - or exports minus imports - subtracted 0.2 percentage point to revised GDP growth, while domestic demand pulled it down by 0.8 percentage point, not as bad as a preliminary contribution of minus 1.1 percentage point. The better-than-expected GDP revision comes after household spending and exports jumped in April on a return to demand, though the gains were inflated largely by the comparison to last year's deep pandemic-driven plunge. Inflation-adjusted wages, which are a barometer of households' purchasing power, rose 2.1% in April on a YoY basis, the government said on Tuesday. The government has come under political pressure to water down an already stretched fiscal target this year as the cost to combat the health crisis accumulates, as it struggles to keep up growth while fighting the pandemic.
- **Japan's April real wages post largest monthly gain since 2010 –** Japan's real wages posted the biggest monthly rise in more than a decade in April as overtime pay and compensation of part-timers rebounded, although the gains were inflated due to the comparison with last year's pandemic-driven fall. Inflation-adjusted real wages, a key measure of households' purchasing power, rose 2.1% in April YoY to post their largest monthly gain since July 2010, the labor ministry said on Tuesday. The rise in inflation-adjusted real wages was partly due to a 0.5% drop in the consumer price index, as the health crisis caused prices to weaken, as well as a YoY rebound in compensation for part-time workers. The figures especially underline how big an impact the coronavirus crisis has had on Japan's economy in the last year, although it is still leaving its mark on economic activity. Nominal total cash earnings gained 1.6% in April from a year earlier, up for the second straight month, following a 0.6% rise in March, according to the data. Regular pay - or base salary, which makes up most of total cash earnings and determines a wage trend - rose for the fourth straight month, gaining 0.9%. Overtime pay, a barometer of strength in corporate activity, jumped 6.4% in April compared the same month a year earlier, posting its first YoY rise since August 2019. Special payments rose 8.5% in April. The ministry defines "workers" as 1) those who were employed for more than one month at a company that employed more than five people, or 2) those who were employed on a daily basis or had less than a one-month contract but had worked more than 18 days during the two months before the survey was conducted, at a company that employs more than five people.
- **Russian May inflation accelerates to 6.0%, above forecast –** Russia's annual consumer inflation accelerated to 6.0% in May, overshooting expectations and adding arguments for tighter monetary policy days before the central bank's rate-setting meeting, data showed on Monday. Inflation, the central bank's main area of responsibility, accelerated to its highest since October 2016 when the central bank's key interest rate was at 10%. The data from the statistics service Rosstat comes ahead of the bank's board meeting due on Friday where it is expected to raise the key rate for the third time in a row, by 25 or even 50 basis points from 5%. The YoY increase in the consumer price index was above analysts' expectations for a rise of 5.8% in a Reuters poll. Central bank analysts predicted May inflation at 5.7%-5.9%, warning it was on track to speed up further in the coming months. The central bank targets annual consumer inflation of 4%. It overshot the target in late 2020 amid global inflation and as the weaker Rouble filtered into prices in Russia.
- **Survey: Brazil 2021 inflation forecasts rise further above central bank's upper limit –** Forecasts for Brazil's growth and inflation in 2021 rose to new highs, a survey of economists showed on Monday, with inflation moving further above the upper limit of the central bank's target range for the year. The median forecast for 2021 inflation from more than 100 economists in the central bank's weekly FOCUS survey rose to 5.4% from 5.3%, well above the bank's year-end goal of 3.75% and inching further above the 5.25% upper limit of its wider range. Following the release of stronger-than-expected first quarter economic growth figures last week, the median 2021 growth forecast jumped to a new high of 4.4% from 4%, the survey showed. Four weeks ago that stood at 3.2%. Despite the ninth consecutive rise in the inflation outlook and seventh weekly increase in growth forecasts, economists' view on interest rates was unchanged. The median forecasts for the central bank's benchmark Selic rate held steady at 5.75% for this year, and 6.50% for next year, the survey showed. The central bank has raised its benchmark Selic rate by 75 basis points at each of its last two policy meetings, to 3.50%, and has indicated it will do so again later this month.

Regional

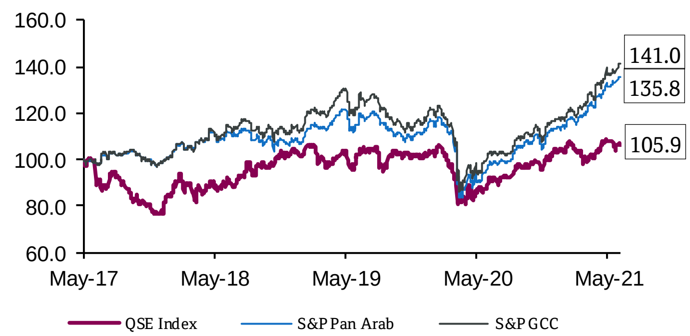
- **OPEC Chief, in upbeat oil outlook, sees oil stocks falling further –** OPEC and its allies expect oil inventories to fall further in the coming months, OPEC's Secretary General, Mohammad Barkindo said on Monday, suggesting efforts by the producers to support the market are succeeding. Oil stocks in developed world nations fell by 6.9mn barrels in April, he said in a virtual appearance at the Nigeria International Petroleum Summit, 160mn barrels lower than the same time one year ago, making the figure public for the first time. "We expect to see further drawdowns in the months ahead," he said. The OPEC and allies - known as OPEC+ - decided in April to return 2.1mn bpd to the market from May through July. The producers stuck to that decision at a meeting last week, sparking a rise in oil prices. "The market has continued to react positively to the decisions we took, including the upward adjustments of production levels beginning in May this year," he said. (Zawya)

- **Saudi Aramco mandates banks for inaugural dollar Sukuk –** Saudi Aramco has hired a large group of banks to arrange its inaugural issuance of US dollar-denominated Sukuk, a document showed on Monday, as it seeks cash to fulfil large commitments to its major shareholder, the Saudi government. The banks will arrange fixed income investor calls starting on Monday, the document from one of the banks showed. An issuance of sukuk in three-, five- and 10-year tranches will follow, subject to market conditions. The active bookrunners on the deal are Alinma Invest, Al Rajhi Capital, BNP Paribas, Citi, First Abu Dhabi Bank, Goldman Sachs International, HSBC, JPMorgan, Morgan Stanley, NCB Capital, Riyad Capital, SMBC Nikko and Standard Chartered Bank. Aramco last year maintained a promised $75bn dividend despite lower oil prices and is expected to shoulder significant domestic investments that form part of Saudi Arabia’s plans to transform the economy. (Reuters)
- **Fitch rates Saudi Aramco's upcoming Sukuk 'A(EXP)' –** Fitch Ratings has assigned Saudi Arabian Oil Company's (Saudi Aramco, A/Negative) upcoming trust certificate issuance program, issued through the trustee - SA Global Sukuk Limited (SAGS) - an expected rating of 'A(EXP)'. The expected rating is in line with Saudi Aramco's Long-Term Issuer Default Rating (IDR) and senior unsecured rating of 'A'. SAGS was incorporated in the Cayman Islands as an exempted company with limited liability for the sole purpose of issuing the certificates. MaplesFS Limited is acting as the corporate administrator of the trustee, while Saudi Aramco is the obligor, seller, lessee, buyer and service agent. The assignment of the final rating is contingent on the successful issuance of the sukuk and final documents materially conforming to information already reviewed. If these conditions are not met, Fitch will review the rating. Fitch understands that the proceeds will be used for general corporate purposes. The program rating is aligned with Saudi Aramco's IDR. This reflects Fitch's view that a default of these senior unsecured obligations would reflect the default of Saudi Aramco, in accordance with the agency's rating definitions. Saudi Aramco's IDR is, in turn, constrained by Saudi Arabia's sovereign rating of 'A'/Negative. The company's Standalone Credit Profile is 'aa+'. Fitch has given no consideration to any underlying assets or collateral provided, as the agency believes that the trustee's ability to satisfy payments due on the certificates will ultimately depend on Saudi Aramco satisfying its unsecured payment obligations to the trustee under the transaction documents described in the prospectus and other supplementary documents. In addition to Saudi Aramco's propensity to ensure repayment by SAGS, the company would be required to ensure full and timely repayment of SAGS's obligations due to Saudi Aramco's various roles and obligations under the sukuk structure and documentation, especially, but not limited to, the below features: The rental due on a rental payment date shall be an amount equal to the periodic distribution amount, which together with the Murabaha profit instalment, shall be sufficient to fund the periodic distribution amounts payable by the trustee in respect of the relevant certificates. On any dissolution or default event, the aggregate amounts of deferred payment price then outstanding shall become immediately due and payable; and the trustee will have the right under the purchase undertaking to require Saudi Aramco to purchase all of its rights, title, interests, benefits and entitlements, present and future, in, to and under the relevant lease assets in consideration for payment by the obligor of the relevant exercise price. (Bloomberg)
- **Saudi Wealth Fund, early Alibaba investor back Jordanian startup –** A unit of Saudi Arabia’s $400bn Public Investment Fund (PIF) has led a new financing round for OpenSooq.com, a Jordan-based online classifieds business that is looking to triple its headcount across the Middle East. The Saudi Jordanian Investment Fund, a $3bn entity created by the Saudi wealth fund and a group of Jordanian banks, is backing OpenSooq along with existing investors iMENA Group and FJLabs founded by Fabrice Grinda, who was an early investor in Alibaba Group Holding Ltd. OpenSooq, whose biggest markets are Jordan and Saudi Arabia, said it raised $24mn. The company’s Chairman, Khaldoon Tabaza, declined to comment on OpenSooq’s valuation. Founded in 2008 by Libyan American entrepreneur Salah Al Sharif, OpenSooq is involved in the sale of about $30bn of goods a year, with an item sold through the company every 13 seconds. After iMENA invested in 2012, the company moved its headquarters to Jordan and began expanding into new countries. It is now in 19 countries across the Middle East, from the Levant to the tip of the Arabian Peninsula. “OpenSooq has touched and improved the lives of more people in its key markets that any other mobile application, bringing real utility to every-day needs,” Tabaza said. (Bloomberg)
- **Emirates REIT rescinds exchange offer for outstanding Sukuk –** Dubai-listed Emirates REIT, a Shari’ah-compliant real estate investment trust, has rescinded an offer for holders of its $400mn Sukuk, or Islamic bonds, to exchange their notes for a new instrument, the company said. Emirates REIT needed a 75% special majority for the voluntary proposal, which sought Sukuk holders' approval to exchange the outstanding unsecured sukuk with secured ones, to proceed. It said in a statement that 57% of holders voted in favor. (Reuters)
- **SHUAA Capital sell all their Khaleeji Commercial Bank stake –** UAE-based financial firm SHUAA Capital has sold its 3.8% stake in Khaleeji Commercial Bank (KHCB), totaling 34,648,071 shares, to GFH Financial Group. The sale, which is expected to contribute to SHUAA’s second quarter financials, comes as part of its strategy to shed non-core assets, the asset manager said in a statement Monday. Goldilocks Fund, managed by subsidiary SHUAA GMC Ltd., also sold a 9.76% stake in Khaleeji (totaling 87,078,724 shares) to GFH Financial Group. Following these disposals, SHUAA and Goldilocks no longer have any holding in KHCB. As part of the strategy SHUAA last month divested its 20% equity stake in Mirfa International Power and Water Company (MIPCO), to Japanese group Sojitz Corporation (Sojitz). (Zawya)
- **First Abu Dhabi Bank issues $23mn in green bonds –** First Abu Dhabi Bank (FAB), the biggest lender in the UAE, said on Monday it had issued $23mn in green bonds. The bonds were the first private placement of green bonds denominated in Yuan from the Middle East and North Africa, FAB said in a statement. FAB has issued more than $1bn in green bonds - debt instruments to fund projects with environmental benefits - in several currencies including dollars and Swiss francs. It did not disclose other details about the debt sale, including the coupon. (Reuters)
- **Oman hires banks for Sukuk in second international debt foray of 2021 –** Oman has hired banks for its second international bond sale of the year, a planned issuance of nine-year US dollar-denominated Sukuk, a document showed on Monday, as it seeks to plug a large budget deficit. Oman hired Citi, Gulf International Bank, HSBC, Standard Chartered, Bank ABC and Bank Muscat to arrange investor calls starting on Monday, the document from one of the banks seen by Reuters showed. An issuance of Sukuk,

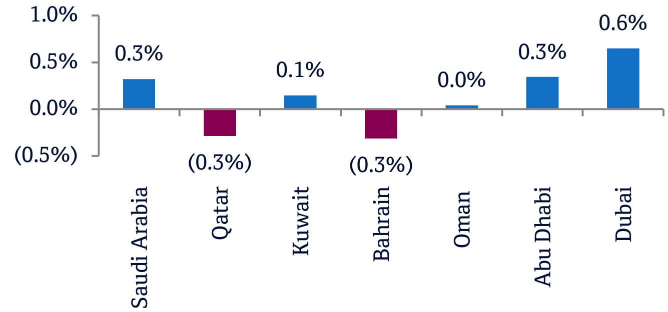
or Islamic bonds, will follow, subject to market conditions. Oman, one of the weakest credits in the hydrocarbon-rich Gulf, is a relatively small oil producer and more sensitive than its neighbors to swings in the oil price, meaning it was hit particularly hard by last year's historic price crash and the COVID-19 pandemic. (Reuters)

- **Oman's bond prospectus shows debt may rise again as share of GDP –** Oman's government expects its debt-to-GDP ratio to increase to 82.7% in 2021 from 79.2% as of end-2020, according to a prospectus that accompanied the sultanate's planned bond offering on Monday. Total outstanding government debt was OMR19.7bn as of December 31, 2020, up from OMR17.6bn a year earlier. The debt-to-GDP ratio was at 59.9% at end-2019. (Bloomberg)
- **Oman sells OMR158.5mn 91-day bills; bid-cover at 1.14x –** Oman sold OMR158.5mn of 91-day bills due on September 8. Investors offered to buy 1.14 times the amount of securities sold. The bills were sold at a price of 99.806, have a yield of 0.779% and will settle on June 9. (Bloomberg)
- **Kuwait's Ahli United Bank hires banks to arrange AT1 dollar Sukuk –** Kuwait's Ahli United Bank has hired banks to arrange the issuance of Additional Tier 1 US dollar-denominated sukuk that will be non-callable for 5-1/2 years, a document seen by Reuters showed on Monday. Kuwait's Ahli United, nearly three-quarters owned by Bahrain's Ahli United Bank, hired Citi, HSBC and Standard Chartered to lead the deal, according to one of the banks on the deal showed. Abu Dhabi Islamic Bank, Kamco Invest, KFH Capital and Kuwait International Bank will join them to arrange investor calls starting on Monday, which will be followed by an issuance, subject to market conditions. The lender is also offering to tender existing AT1 certificates for cash, subject to conditions including the issuance of the new AT1 Sukuk. The deadline for the offer is June 14. (Reuters)
- **Kuwait to resume weekly flights to UK from June 13 –** Kuwait cabinet has authorized the Civil Aviation Authority to resume the weekly direct flights to the UK from June 13, the country's cabinet said in a statement. Each authorized airline will be permitted 1 weekly direct flight. (Bloomberg)
- **Bahrain leads GCC banks in 2020 dividend cuts –** Banks across the Gulf area slashed cash dividends for 2020 by 45.4% or $6.6bn to $8bn compared to $14.6bn in 2019, as a result of the effect of the COVID-19 pandemic, according to a recent report by Kamco Invest. The year 2020 was the second consecutive year of dividend cuts, following a decline of 21% or $3.9bn in banks' cash dividends in 2019 when compared to $18.5bn in 2018. Last year's dividend cuts came after 17 banks in the GCC cancelled 2020 dividend payments. Bahraini banks made the largest reduction in cash dividends at 72.4%. Saudi Arabian banks followed with cuts by 64.1% or $2.4bn to $1.3bn. (Zawya)
- **GFH Financial Group increases stake in Khaleeji Commercial to 69% –** Bahrain-based GFH Financial Group has increased its stake in Khaleeji Commercial Bank (KHCB) to nearly 70%, it said on Monday. In a bourse filing to the Dubai Financial Market (DFM), the Islamic wholesale investment bank said it has expanded its stake in its affiliate from 55.41% to 69.05%, as part of its business strategy. A portion of the shares, 3.8%, were acquired from asset management firm SHUAA Capital. "The acquisition is expected to have a positive impact on the Group's profitability," GFH said. The company reported a net profit attributable to shareholders of $16.1mn for the first three months of 2021, up from $5.1mn in the same period last year. Assets of the Group also went up by 10.8% to $7bn during the same period. In a separate statement, SHUAA said the sale of its KHCB shares to GFH is part of its strategy to exit its non-core assets. "The sale is expected to contribute positively to SHUAA's Q2 financials," the company said. (Zawya)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 2.31x –** Bahrain sold BHD70mn of 91-day bills due on September 8. Investors offered to buy 2.31 times the amount of securities sold. The bills were sold at a price of 99.598, have a yield of 1.6% and will settle on June 9. (Bloomberg)

Rebased Performance	Daily Index Performance



Source: Bloomberg



Source: Bloomberg

Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,899.21	0.4	0.4	0.0
Silver/Ounce	27.89	0.3	0.3	5.6
Crude Oil (Brent)/Barrel (FM Future)	71.49	(0.6)	(0.6)	38.0
Crude Oil (WTI)/Barrel (FM Future)	69.23	(0.6)	(0.6)	42.7
Natural Gas (Henry Hub)/MMBtu	2.98	0.3	0.3	24.7
LPG Propane (Arab Gulf)/Ton	91.50	(0.3)	(0.3)	21.6
LPG Butane (Arab Gulf)/Ton	99.75	0.8	0.8	43.5
Euro	1.22	0.2	0.2	(0.2)
Yen	109.25	(0.2)	(0.2)	5.8
GBP	1.42	0.2	0.2	3.8
CHF	1.11	0.2	0.2	(1.4)
AUD	0.78	0.2	0.2	0.8
USD Index	89.95	(0.2)	(0.2)	0.0
RUB	72.82	0.1	0.1	(2.1)
BRL	0.20	0.1	0.1	3.0

Source: Bloomberg (*$ adjusted returns)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,000.97	0.1	0.1	11.6
DJ Industrial	34,630.24	(0.4)	(0.4)	13.1
S&P 500	4,226.52	(0.1)	(0.1)	12.5
NASDAQ 100	13,881.72	0.5	0.5	7.7
STOXX 600	453.56	0.5	0.5	13.4
DAX	15,677.15	0.2	0.2	13.4
FTSE 100	7,077.22	0.2	0.2	13.8
CAC 40	6,543.56	0.7	0.7	17.6
Nikkei	29,019.24	0.5	0.5	(0.1)
MSCI EM	1,380.59	(0.1)	(0.1)	6.9
SHANGHAI SE Composite	3,599.54	0.2	0.2	5.7
HANG SENG	28,787.28	(0.5)	(0.5)	5.6
BSE SENSEX	52,328.51	0.5	0.5	10.0
Bovespa	130,776.30	1.1	1.1	12.8
RTS	1,652.99	0.4	0.4	19.1

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