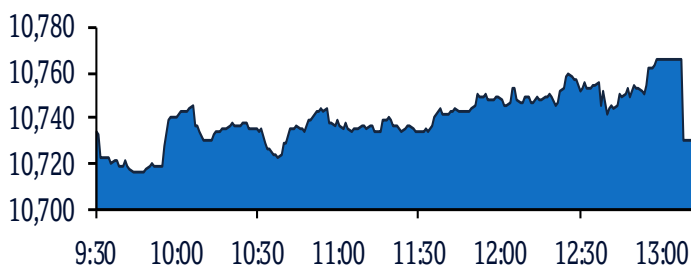


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index declined 0.2% to close at 10,730.7. Losses were led by the Real Estate and Insurance indices, falling 1.4% and 0.6%, respectively. Top losers were Barwa Real Estate Company and Mannai Corporation, falling 3.3% and 2.4%, respectively. Among the top gainers, Qatari German Co for Med. Devices gained 7.7%, while Investment Holding Group was up 6.6%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.1% to close at 10,984.2. Losses were led by the Retailing and Insurance indices, falling 1.9% and 1.1%, respectively. Etihad Atheeb Telecommunication Co. declined 5.5%, while Gulf General Cooperative Insurance was down 4.0%.

**Dubai:** The DFM Index fell 0.6% to close at 2,810.6. The Banks index declined 0.9%, while the Transportation index fell 0.8%. Aan Digital Services Holding Co declined 3.0%, while Ithmaar Holding was down 2.3%.

**Abu Dhabi:** The ADX General Index gained 1.1% to close at 6,835.4. The Investment & Financial Services index rose 3.3%, while the Banks index gained 1.3%. Al Buhaira National Insurance rose 14.7%, while Ras Al Khaimah Cement Investment Company was up 6.7%.

**Kuwait:** The Kuwait All Share Index fell 1.6% to close at 6,386.8. The Technology index declined 4.2%, while the Financial Serv. index fell 2.1%. Egypt Kuwait Holding Co. declined 9.7%, while First Dubai Real Estate Development was down 9.6%.

**Oman:** The MSM 30 Index gained 0.1% to close at 4,063.4. Gains were led by the Industrial and Services indices, rising 0.7% and 0.4%, respectively. National Finance Company rose 4.5%, while Sohar Power Company was up 4.4%.

**Bahrain:** The BHB Index fell 0.5% to close at 1,588.0. The Commercial Banks index declined 0.8%, while the Investment index fell 0.4%. Nass Corporation declined 4.4%, while GFH Financial Group was down 3.3%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Dev.	2.74	7.7	13,336.5	22.6
Investment Holding Group	1.11	6.6	29,957.4	85.1
Widam Food Company	4.42	4.7	1,314.8	(30.1)
Dlala Brokerage & Inv. Holding Co.	1.62	3.1	3,125.4	(9.8)
Baladna	1.52	2.8	7,352.1	(15.1)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.97	2.4	48,275.3	48.8
Investment Holding Group	1.11	6.6	29,957.4	85.1
Qatar Aluminum Manufacturing Co	1.53	2.0	18,345.3	58.2
Qatari German Co for Med. Dev.	2.74	7.7	13,336.5	22.6
Mesaieed Petrochemical Holding	1.88	(0.9)	7,462.1	(8.1)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,730.68	(0.2)	(0.3)	(0.2)	2.8	135.99	167,797.7	18.1	1.6	2.7
Dubai	2,810.56	(0.6)	(1.6)	0.5	12.8	94.28	105,631.1	21.3	1.0	2.8
Abu Dhabi	6,835.43	1.1	3.9	4.2	35.5	367.61	264,076.4	23.2	1.9	3.6
Saudi Arabia	10,984.15	(0.1)	0.6	4.1	26.4	3,191.99	2,591,945.6	36.2	2.4	1.9
Kuwait	6,386.79	(1.6)	(1.1)	2.8	15.2	252.90	123,312.3	40.7	1.6	2.0
Oman	4,063.40	0.1	0.4	5.5	11.1	7.25	18,515.1	14.3	0.8	3.9
Bahrain	1,587.97	(0.5)	0.6	4.0	6.6	1.82	24,616.5	27.3	1.1	2.1

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

Market Indicators	30 Jun 21	29 Jun 21	%Chg.
Value Traded (QR mn)	502.9	430.0	17.0
Exch. Market Cap. (QR mn)	622,395.0	623,244.1	(0.1)
Volume (mn)	205.6	214.3	(4.1)
Number of Transactions	9,805	11,020	(11.0)
Companies Traded	45	46	(2.2)
Market Breadth	25:13	34:10	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,242.03	(0.2)	(0.3)	5.9	18.1
All Share Index	3,407.53	(0.1)	(0.3)	6.5	18.9
Banks	4,507.85	(0.2)	(0.1)	6.1	15.7
Industrials	3,586.88	0.1	0.2	15.8	27.6
Transportation	3,359.62	(0.0)	(0.1)	1.9	21.6
Real Estate	1,755.43	(1.4)	(1.8)	(9.0)	16.6
Insurance	2,606.39	(0.6)	(1.8)	8.8	23.1
Telecoms	1,076.23	0.1	(2.7)	6.5	28.5
Consumer	8,100.23	0.6	(0.6)	(0.5)	27.2
Al Rayan Islamic Index	4,532.28	0.1	(0.3)	6.2	19.5

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Rabigh Refining & Petro.	Saudi Arabia	23.50	4.0	7,169.6	70.0
First Abu Dhabi Bank	Abu Dhabi	16.70	2.0	21,906.5	29.5
Saudi Arabian Mining Co.	Saudi Arabia	63.20	1.4	2,042.9	56.0
National Petrochemical	Saudi Arabia	44.00	1.1	639.4	32.3
Banque Saudi Fransi	Saudi Arabia	38.40	1.1	692.1	21.5

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Barwa Real Estate Co.	Qatar	2.98	(3.3)	2,651.5	(12.4)
Boubyan Bank	Kuwait	0.73	(3.2)	2,230.2	35.3
Jarir Marketing Co.	Saudi Arabia	211.20	(2.2)	241.3	21.8
Bupa Arabia for Coop. Ins	Saudi Arabia	124.20	(2.2)	103.5	1.6
National Bank of Kuwait	Kuwait	0.85	(2.2)	7,253.6	6.1

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Barwa Real Estate Company	2.98	(3.3)	2,651.5	(12.4)
Mannai Corporation	3.83	(2.4)	359.4	27.5
Qatar Islamic Insurance Company	7.68	(1.5)	83.5	11.2
Mesaieed Petrochemical Holding	1.88	(0.9)	7,462.1	(8.1)
Doha Insurance Group	1.95	(0.9)	19.4	40.2

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar International Islamic Bank	9.31	(0.7)	61,329.1	2.9
Salam International Inv. Ltd.	0.97	2.4	46,186.0	48.8
QNB Group	17.95	(0.7)	42,584.4	0.7
Qatari German Co for Med. Dev.	2.74	7.7	36,130.7	22.6
Investment Holding Group	1.11	6.6	32,580.6	85.1

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index declined 0.2% to close at 10,730.7. The Real Estate and Insurance indices led the losses. The index fell on the back of selling pressure from Qatari and GCC shareholders despite buying support from Arab and foreign shareholders.
- Barwa Real Estate Company and Mannai Corporation were the top losers, falling 3.3% and 2.4%, respectively. Among the top gainers, Qatari German Co for Med. Devices gained 7.7%, while Investment Holding Group was up 6.6%.
- Volume of shares traded on Wednesday fell by 4.1% to 205.6mn from 214.3mn on Tuesday. However, as compared to the 30-day moving average of 171.7mn, volume for the day was 19.7% higher. Salam International Inv. Ltd. and Investment Holding Group were the most active stocks, contributing 23.5% and 14.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	38.52%	38.23%	1,444,021.9
Qatari Institutions	20.65%	27.47%	(34,280,517.9)
<b>Qatari</b>	<b>59.17%</b>	<b>65.70%</b>	<b>(32,836,496.0)</b>
GCC Individuals	0.72%	0.51%	1,067,383.0
GCC Institutions	0.91%	1.77%	(4,316,881.9)
<b>GCC</b>	<b>1.63%</b>	<b>2.28%</b>	<b>(3,249,498.8)</b>
Arab Individuals	14.29%	13.76%	2,636,764.5
Arab Institutions	0.00%	0.00%	–
<b>Arab</b>	<b>14.29%</b>	<b>13.76%</b>	<b>2,636,764.5</b>
Foreigners Individuals	4.56%	3.22%	6,760,054.0
Foreigners Institutions	20.35%	15.05%	26,689,176.3
<b>Foreigners</b>	<b>24.91%</b>	<b>18.26%</b>	<b>33,449,230.3</b>

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

## Global Economic Data and Earnings Calendar

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06/30	US	Mortgage Bankers Association	MBA Mortgage Applications	25-Jun	-6.9%	–	2.1%
06/30	UK	UK Office for National Statistics	GDP QoQ	1Q2021	-1.6%	-1.5%	-1.5%
06/30	UK	UK Office for National Statistics	GDP YoY	1Q2021	-6.1%	-6.1%	-6.1%
06/30	France	INSEE National Statistics Office	PPI MoM	May	0.5%	–	-0.8%
06/30	France	INSEE National Statistics Office	PPI YoY	May	7.2%	–	6.7%
06/30	France	INSEE National Statistics Office	CPI MoM	Jun	0.2%	0.2%	0.3%
06/30	France	INSEE National Statistics Office	CPI YoY	Jun	1.5%	1.5%	1.4%
06/30	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	May	-5.9%	-2.1%	2.9%
06/30	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	May	22.0%	27.0%	15.8%
06/30	Japan	Economic and Social Research Institute	Consumer Confidence Index	Jun	37.4	35.0	34.1
06/30	China	China Federation of Logistics and Purchasing	Non-manufacturing PMI	Jun	53.5	55.3	55.2
06/30	China	China Federation of Logistics and Purchasing	Manufacturing PMI	Jun	50.9	50.8	51.0
06/30	China	China Federation of Logistics and Purchasing	Composite PMI	Jun	52.9	–	54.2

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

### Earnings Calendar

Tickers	Company Name	Date of reporting 2Q2021 results	No. of days remaining	Status
QNBK	QNB Group	11-Jul-21	10	Due
QFLS	Qatar Fuel Company	11-Jul-21	10	Due
MARK	Masraf Al Rayan	13-Jul-21	12	Due
QIBK	Qatar Islamic Bank	14-Jul-21	13	Due
QEWS	Qatar Electricity & Water Company	14-Jul-21	13	Due
KCBK	Al Khalij Commercial Bank	15-Jul-21	14	Due
NLCS	Alijarah Holding	15-Jul-21	14	Due
ABQK	Ahli Bank	15-Jul-21	14	Due
DHBK	Doha Bank	27-Jul-21	26	Due

Source: QSE

## News

### Qatar

- **Qatar Petroleum posts first-quarter profit rises 36% to almost \$5bn** – Qatar Petroleum (QP), one of the world's top natural gas suppliers, posted a profit of QR18.1bn (\$4.90bn) in the first quarter of 2021, up from QR13.3bn a year prior, a bonds prospectus reviewed by Reuters showed. The 36% rise in profit was despite revenue falling slightly to QR24.3bn in the first quarter of 2021 from QR24.5bn in the first quarter of 2020. Capital expenditure by QP, its subsidiaries and joint ventures through 2025 is projected at QR300bn, the prospectus said. (Reuters)
- **Qatar Petroleum grabs \$12.5bn in emerging market bonds record** – Qatar Petroleum (QP), one of the world's top liquefied natural gas (LNG) suppliers, sold \$12.5bn in a jumbo four-tranche bond deal on Wednesday, a document showed, its first public bond sale and the biggest issuance out of emerging markets this year. QP tightened the spreads across all four tranches by 30 basis points (bps) after combined orders topped \$41bn, the document from one of the banks on the deal showed. QP sold \$1.5bn in a five-year portion at 50 bps over US Treasuries (UST), \$3.5bn in 10-year paper at 90 bps over UST, \$3.5bn in 20-year notes at 3.15% and \$4bn in 30-year Formosa bonds at 3.3%. The bonds landed roughly 10-15 bps wider than the sovereign's curve, which investors likened to Saudi oil giant Aramco's debt compared with Saudi sovereign debt. The company's last dollar sale was in 2006, when it raised \$650mn, according to data compiled by Bloomberg. The debt will help the Persian Gulf state pump more gas from the giant North Field that extends into Iran's waters. Qatar is planning to spend \$29bn to lift production of LNG to 110mn tons per annum by 2027 from 77mn tons. (Bloomberg, Reuters)
- **MARK announces the appointment of Acting Group CEO** – The Board of Directors of Masraf Al Rayan (MARK) announced the appointment of Ahmed Sheikh to take over the functions of "Acting Group CEO" from July 1, 2021 until further notice, subject to the approval of Qatar Central Bank. (QSE)
- **ORDS extends exclusivity period of MOU with CK Hutchison to potentially combine their Indonesian businesses** – Ooredoo (ORDS) and CK Hutchison Holdings Limited (CK Hutchison) (together the "Parties") are currently in advanced discussions regarding a possible transaction to combine their respective telecommunications businesses in Indonesia, PT Indosat Tbk ("Indosat") and PT Hutchison 3 Indonesia ("3 Indonesia"). Discussions between the Parties have been progressing well and are at an advanced stage. To allow time to finalize definitive agreements, the two Parties have extended the period of exclusivity for the non-legally binding Memorandum of Understanding (MoU) in relation to the possible transaction until August 16, 2021. The combination of Indosat and 3 Indonesia would bring together two of Indonesia's leading mobile telco brands to create a new world-class digital telecommunications company. The combined company would have the scale and financial capabilities to drive innovation and accelerate the transformation of Indonesia into a digital society. As of the date of this announcement, no decision has been taken to proceed with a transaction. Any material developments with respect to the transaction will be announced in due course. (QSE)
- **KCBK's board of directors to meet on July 15** – Al Khalij Commercial Bank (KCBK) has announced that its board of directors will be holding a meeting on July 15, 2021 to discuss the consolidated interim financial statements for the period ended June 30, 2021. (QSE)
- **KCBK to hold its investors relation conference call on July 25** – Al Khalij Commercial Bank (KCBK) announced that the conference call with the Investors to discuss the financial results for the semi-annual 2021 will be held on July 25, 2021 at 11:00 am, Doha Time. (QSE)
- **BLDN's board of directors to meet on July 04** – Baladna (BLDN) has announced that its board of directors will be holding a meeting on July 04, 2021 to discuss the following meeting agenda: (1) Acknowledge the minutes of the previous Board of Directors meeting dated April 27, 2021. (2) Present the recommendation of the Nomination & Remuneration committee to the Board of Directors, regarding the resignation of the current CEO and the appointment of a new CEO. (3) Follow up on the Company's activities and operations. (4) Any other business. (QSE)
- **QNB Group tops MEA ranking on 'Top 1,000 World Banks' list** – QNB Group continues to lead the Middle East and Africa (MEA) ranking on the 'Top 1,000 World Banks' list, the largest and most important edition of the year in "The Banker" magazine. QNB Group was ranked first in Qatar and the region with its total assets expanding 9% to \$282bn from December 2019, thus placing it on the 79th position in the global ranking. This evaluation comes by analyzing each bank's strengths and weaknesses through eight categories: growth, profitability, operational efficiency, asset quality, and return on risk, liquidity, soundness, and leverage. The performance category weightings are all equal and are prepared to analyze every bank in comparison with other banks. Last year, the group marked a milestone achievement when became the first banking institution in the region to achieve total assets of QR1tn (\$282bn), which emphasized the group's continuous efforts and vision to become a leading bank in the MEASEA, or the Middle East Africa and South East Asia region. (Gulf-Times.com)
- **Qatar signs pact to supply China with 1MTPA of LNG for 10 years** – State-run Qatar Petroleum signs a long-term sale and purchase agreement with Shell to supply China with 1mn tons per annum (MTPA) of LNG for 10 years. LNG deliveries will commence in January 2022 to various LNG terminals in China. Qatar Petroleum plans to supply the LNG from its Qatargas 1 venture, which will become 100% owned by Qatar Petroleum from 2022. With the conclusion of this agreement, China will be supplied with about 12mn tons per annum of LNG under long-term SPAs from Qatar. (Bloomberg)
- **Qatar May M2 money supply rises 4.9% YoY and 2.4% MoM** – Qatar Central bank has published data on monetary aggregates for May on website. M2 money supply rose 4.9% from year ago and 2.4% MoM. M1 money supply rose 9.9% from year ago and 6.7% MoM. Qatar Central Bank has published Qatar's foreign reserves for May on website. International reserves and foreign currency liquidity rose to QR205.3bn from QR205.1bn in April. (Bloomberg)
- **Qatar Investment Authority reduces stake in Credit Suisse** – Credit Suisse Group's biggest shareholder, the Qatar Investment Authority (QIA), lowered its stake in the bank to 4.8% or 128mn shares, a filing with the US Securities and Exchange Commission said Wednesday. According to Bloomberg data, the Qatar sovereign wealth fund previously held 133mn shares of the bank, and it is the first time it cut its stake in the bank since 2010. QIA is top shareholder in Credit Suisse, according to Bloomberg data. (Bloomberg)
- **QP sets fuel prices for July** – Qatar Petroleum announced Wednesday the prices of diesel and gasoline in the State for July 2021. QP has set the price of a liter of diesel at QR1.90 in July, compared to QR1.75 last month, while the price of Super



Gasoline 95 is set at QR2 per liter as against QR1.90 in June. Premium Gasoline 91 will cost QR1.95 a liter in July compared to QR1.85 in June. (Gulf-Times.com)

- **Moody's announces completion of a periodic review of ratings of Ras Laffan LNG Co. Ltd** – Moody's Investors Service ("Moody's") has completed a periodic review of the ratings of Ras Laffan Liquefied Natural Gas Co. Ltd and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review discussion held on 24 June 2021 in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Since 1 January 2019, Moody's practice has been to issue a press release following each periodic review to announce its completion. (Bloomberg)
- **SAS: Only 17% of Qatari consumers to revert to pre-pandemic shopping habits** – Less than a fifth (17 percent) of Qatari consumers will revert to the same balance of online and offline shopping as before the COVID-19 pandemic, SAS has said in its research report. According to a survey conducted by the leader in analytics, exactly three-quarters of respondents say their shopping habits have changed permanently. Almost four in ten (38%) say they will continue to use digital channels for tasks like shopping and banking more than they did before the outbreak. SAS Customer Intelligence Practice Head for CEMEA Radoslaw Grabiec said, "Customer-facing organizations need to distinguish between customers that plan to continue using digital platforms, the ones that will move to a more offline experience, and the ones who are keen to return to the same balance as before the pandemic. They then need to plan marketing campaigns tailored to each group." To achieve this, Grabiec said, organizations of all sizes can use cloud-based technologies such as analytics and AI to analyse the customer data they have and create actionable insights for each individual customer. The findings of the survey show the extent to which consumer commerce has moved online in the last year and a half. The percentage of new digital users since the pandemic started stood at 27% in the Middle East & Africa (MEA), the highest of any region surveyed. More than half are now considered digital users, also the highest of any region. These digitally savvy consumers are shown to be intolerant of poor levels of service. The proportion of Qatari consumers that would ditch a brand after just one or two poor experiences was 45%, while 37% say they would change provider or brand after 3-5 poor experiences. Effectively, 82% of consumers in Qatar will shift brand loyalty after one to five poor experiences. For those brands and service providers that succeed in delighting customers, there are rewards to be reaped. (Qatar Tribune)
- **Cabinet gives nod to Shura Council election system** – The Cabinet has approved a draft decree defining the electoral districts of the Shura Council and their respective regions, as well as draft decisions of HE the Minister of Interior regarding key aspects of the council's elections. The draft decisions pertain to nominating the head and members of the election committees for the Shura Council elections; forming a nominees' committee and its work system and controls; forming a voters' committee and its system and controls; and determining the sources of financing and spending for election campaigns and the controls and procedures for controlling it, Qatar News Agency reported. (Gulf-Times.com)
- **Startups in Qatar raise QR22mn last year** – The venture capital (VC) ecosystem in Qatar has demonstrated resilience despite the challenging situation created by the COVID-19 outbreak as startups in Qatar have raised QR22mn in 2020,

more than the QR21mn deployed in 2019, according to 'Qatar Venture Investment Report 2020'. Qatari startups continued on the positive trajectory established last year as they raised 41% more capital in the first half of 2021 than in full-year 2020. Accelerators drove investment rounds in Qatar last year, contrary to the regional trend. "In Qatar's venture investment ecosystem, accelerated programs were responsible for 33% of all transactions. This defied the trend noted in MENA where COVID-19 forced a slowdown of accelerator programs, with accelerated deals dropping by nine percentage points YoY in 2020," noted the 'Qatar Venture Investment Report 2020' released by Qatar Development Bank (QDB) in cooperation with research platform MAGNiTT. In terms of Qatar's top startup industries by funding, Food and Beverage (F&B) and e-commerce collectively accounted for 53% of all VC funding in the ecosystem. The number of startups to raise funding from the Home Services sector went from one in 2019 to three in 2020. (Peninsula Qatar)

- **Qatar on EU's safe travel list** – European Union (EU) governments agreed Wednesday to add Qatar and 10 other countries to their list of states from which they will allow non-essential travel, EU diplomats said. Ambassadors from the EU's 27 states approved the additions at a meeting on Wednesday, with the change to take effect in the coming days, Reuters reported from Brussels. (Gulf-Times.com)

#### **International**

- **US pending home sales unexpectedly rise in May** – Contracts to purchase previously owned US homes rose by the most in 11 months in May driven by a decline in mortgage rates as well as an uptick in listings. The increase could signal some imminent relief from the shortage of homes for sale that has weighed on sales and driven residential property prices to record highs. The National Association of Realtors (NAR) said on Wednesday its Pending Home Sales Index, based on contracts signed last month, rose 8.0% to 114.7. Economists polled by Reuters had forecast pending home sales would decline 0.8%. Pending home contracts are seen as a forward-looking indicator of the health of the housing market because they become sales one to two months later. Compared with one year ago, pending sales were up 13.1%. New and existing home sales have fallen sharply this year because of a shortage of houses on the market, and the limited supply has resulted in skyrocketing home prices. But Yun said listings were up recently - with the inventory of existing homes climbing to 2.5 months' supply at recent sales rates, the highest since last October, according to NAR data. He also pointed to an easing in borrowing costs as a factor helping to lift the volume of contract signings. After hitting record lows below 3% late last year, the interest rate on 30-year fixed rate mortgages climbed sharply in the first quarter, but then fell back somewhat in May. The average contract interest rate for traditional 30-year mortgages was 3.20% last week, according to the Mortgage Bankers' Association. (Reuters)
- **US private payrolls increase solidly; pending home sales rebound** – US private payrolls increased more than expected in June as companies rushed to boost production and services amid a rapidly reopening economy, though a shortage of willing workers continues to hang over the labor market recovery. The ADP National Employment Report on Wednesday showed hiring in the leisure and hospitality sector accounting for nearly half of the increase in private payrolls this month. Manufacturing payrolls growth slowed, likely reflecting labor shortages as well as scarce raw materials. A global shortage of semiconductors is hampering production of motor vehicles and some household appliances. Private payrolls increased by 692,000 jobs in June. Data for May was revised lower to show 886,000 jobs added

instead of the initially reported 978,000. Economists polled by Reuters had forecast private payrolls would increase by 600,000 jobs. More than 150mn Americans have been fully vaccinated against COVID-19, allowing authorities to remove pandemic-related restrictions on businesses and mask mandates for the inoculated. Employment gains in June were evenly spread among small, medium and large companies, indicating that the economy's recovery from the pandemic was broadening in scope. Leisure and hospitality payrolls increased by 332,000 jobs and there were solid gains in education and health services. Factories added only 19,000 jobs, below the monthly average 43,000 jobs in the past three months. Hiring at construction sites increased by 47,000 jobs. The sector is being underpinned by strong demand for housing, thanks to historically low mortgage rates and a shift to home offices during the pandemic. (Reuters)

- **MBA: US mortgage applications decrease by most in nearly five months** – US applications for home mortgages decreased by the most in almost five months driven by sharp declines in refinancing activity and purchase applications. The Mortgage Bankers Association (MBA) said on Wednesday its seasonally adjusted market index fell 6.9% in the week ending June 25 from a week earlier, the largest drop since early February. This reflected an 8.2% decrease in applications for refinancing existing loans and a 4.8% drop in applications to purchase a home. The average contract interest rate for traditional 30-year mortgages increased to 3.20% last week from 3.18% the prior week. Both new and existing home sales have fallen sharply this year due to a shortage of houses on the market. (Reuters)
- **UK households bolstered their savings in early 2021 lockdown** – British households raised their savings levels sharply in the first three months of 2021 as they were unable to spend in bars, restaurants and many shops under a latest series of anti-coronavirus measures, official data showed on Wednesday. The country's savings ratio, which measures the income households saved as a proportion of their total available disposable income, rose to 19.9% from 16.1% in the fourth quarter of 2020, the Office for National Statistics said. (Reuters)
- **PMI: Japan's June factory activity posts slowest growth in 4 months, costs rise** – Japan's factory activity expanded at the slowest pace in four months in June, as momentum among manufacturers eased from the previous month when output took a big hit from global shortage of high-tech chips. The slower expansion of manufacturing activity comes as firms face pressure from higher input costs and a sharp recovery in other major global economies pushes up raw material prices. The final au Jibun Bank Japan Manufacturing Purchasing Managers' Index (PMI) in June slipped to 52.4 on a seasonally adjusted basis from 53.0 in the previous month, coming in at its lowest since February. The final reading, however, marked an improvement from a 51.5 flash reading released last week, underscoring resilience in manufacturing activity in the face of any impact of the chip shortage for now. Manufacturers' optimism for the year ahead reached a record high, suggesting companies were hopeful conditions will improve over the long term, the PMI survey showed. But output and overall new orders expanded at a softer pace in June, with firms reporting drags from health crisis-related restrictions in addition to the chip shortage. Japan's industrial output posted the biggest monthly drop in a year in May, official data on Wednesday showed, as the semiconductor supply issue heavily impacted car manufacturing. The PMI survey showed input prices rose for a 13th straight month due to rises in raw material prices, such as chips and metals. (Reuters)
- **Tankan: Japan business mood improves in Q2 to 2-1/2-year high** – Japanese big manufacturers' business confidence

improved in the second quarter to hit a two-and-half-year high, a central bank survey showed, a sign solid global demand was helping the economy emerge from the coronavirus pandemic-induced doldrums. Service-sector sentiment also turned positive for the first time in five quarters, suggesting that the economic recovery was broadening even as Japan struggles to contain a fresh wave of coronavirus infections. The headline index for big manufacturers' sentiment jumped to plus 14 from plus 5 in March, marking the fourth consecutive quarter of improvement and posting the highest level since December 2018, the Bank of Japan's (BOJ) "tankan" survey for June showed on Thursday. "Exports and output continue to improve, which is helping sentiment improve for most manufacturing sectors. The auto sector, however, saw sentiment worsen due to shortages in semiconductor chips," a BOJ official told a briefing. An index gauging big non-manufacturers' mood stood at plus 1, against -1 in the previous survey, marking the highest reading since March 2020. Big companies expect capital expenditure to rise 9.6% in the current fiscal year ending in March, after a 8.3% drop in the previous year, the survey showed. Japan's economy shrank an annualized 3.9% in the first quarter and likely grew only modestly in the April-June period as state-of-emergency curbs to prevent the spread of COVID-19 cooled consumption. While the curbs have been lifted for most areas, many analysts expect consumption to remain a weak spot in Japan's export-driven recovery as slow vaccinations keep households from boosting spending on leisure and dining out. The tankan will be among factors the BOJ will scrutinize at its interest rate review on July 15-16, when it will produce fresh quarterly growth and inflation projections. The tankan sentiment index readings are calculated by subtracting the percentage of respondents who say conditions are poor from those who say they are good. A positive reading means optimists outnumber pessimists. (Reuters)

- **Caixin PMI: China June factory growth slows on COVID-19, supply chain snags** – China's factory activity expanded at a softer pace in June, as the resurgence of COVID-19 cases in the export province of Guangdong and supply chain woes drove output growth to the lowest in 15 months, a private survey showed on Thursday. The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) fell to 51.3 last month from May's 52, marking the 14th month of expansion, but it came below analyst expectations for a only slight slowdown to 51.8. The softer results in the private survey, mostly covering export-oriented and small manufacturers, are in line with those in an official survey, which showed factory growth dipped to a four-month low due to the drag from production. A sub-index for output dropped to 51.0 in June, the lowest since March 2020, when the industrial sector started to rebound from COVID-induced paralysis. The growth in new orders also eased to a three-month low. New export orders barely grew, compared with a robust expansion the previous month as rising COVID-19 cases across the world, especially of the more infectious Delta variant, took a toll on demand. More than 150 novel coronavirus cases have been reported in Guangdong province, a manufacturing and exporting hub in southern China, since the latest wave of cases struck in late May, prompting local governments to step up prevention and control efforts that have curbed port processing capacity. However, there are some bright spots in the private survey, which showed firms added to their payrolls at the fastest pace in seven months, as they ramped up efforts to increase capacity in the months ahead amid improved customers demand. (Reuters)
- **Brazil's unemployment rate stuck at historic high 14.7%** – Brazil's unemployment rate held steady at a historic high of 14.7% in the three months through April, figures showed on

Wednesday, with the rate of deterioration in the labor market continuing to slow gradually from a year ago. Although the unemployment rate was unchanged from the quarter ending in March, statistics agency IBGE's comparisons with the three months through January indicated a softer market amid the second wave of the COVID-19 pandemic. Rodolfo Margato, an economist at brokerage XP, said the labor market will continue to improve in the months ahead due to "increased mobility, rising business confidence and more favorable growth prospects for the labor intensive service sector." That said, the labor force will only get back to "normal levels" in the second quarter of next year with the unemployment rate not falling below pre-pandemic levels until the second half of next year, he said. The 14.7% unemployment rate is the highest since IBGE's series began in 2012, and as has consistently been the case for almost a year now, less than 50% of the working population have a job, the figures showed. (Reuters)

- **Russia's Central bank plans to hold monetary policy review in 2021** – The Russian central bank plans to hold a monetary policy review this year as the market development level that is used to envisage the 4% inflation target has somewhat changed over the past five years, Governor Elvira Nabiullina said on Wednesday. Speaking at an online financial conference, Nabiullina said the central bank's monetary policy response was needed to avoid an inflationary spiral in Russia where the economy has already recovered to a pre-pandemic level. The central bank is widely expected to raise its key interest rate again in July from 5.5% as inflation, its key area of responsibility, has shot above the 4% target. (Reuters)

- **Russian Central bank says risk of overheating in retail lending is real** – Growth in retail lending could reach 20% in Russia this year and the risk of overheating in the sector is real as people's incomes are growing at a slower pace, Central Bank Governor Elvira Nabiullina said on Wednesday. Nabiullina said the central bank was looking closely at retail lending and mortgages to prevent bubbles from forming. (Reuters)

#### Regional

- **OPEC+ may extend oil supply cuts amid warning of glut, sources say** – OPEC+ is expected to discuss extending its deal on cutting oil supply beyond April 2022, two OPEC+ sources said on Wednesday, after a panel set up by the group warned of "significant uncertainties" and the risk of an oil glut next year. The OPEC, Russia and its allies, a group known as OPEC+, agreed to record output cuts of about 10mn bpd, starting from May 2020 and due to phase out by the end of April 2022. OPEC+'s active supply management responded to collapsing demand as economies shut down to curb the spread of the coronavirus. As of July, supply cuts still place will stand at 5.8 million bpd. The OPEC+ panel, known as the Joint Technical Committee, said in a report it expected an overhang of crude by the end of 2022, based on several scenarios for supply and demand. (Reuters)

- **Saudi Arabia expected to raise August crude prices for Asia** – Top oil exporter Saudi Arabia is expected to increase its August official selling prices (OSPs) for Asia for the second straight month, tracking stronger crude benchmarks, a Reuters survey showed on Wednesday. Sources at four Asian refiners on average expected the August OSP for Saudi flagship grade Arab Light to rise by \$0.65 a barrel, with their forecasts ranging between \$0.50 to \$0.70. Their forecast tracked the price strength in Middle East crude oil benchmarks Cash Dubai and DME Oman, which in June saw their premiums to Dubai swaps up by about \$0.70 from May. (Reuters)

- **Saudi unemployment down to pre-pandemic levels in 1Q2021 as economy rebounds** – Unemployment among Saudi

citizens dropped to 11.7% in the first quarter of this year from 12.6% at the end of 2020, official data showed on Wednesday, as the economy of the world's biggest oil exporter picked up after a sharp contraction last year. Saudi Arabia has been pushing through economic reforms since 2016 to create millions of jobs and aims to reduce unemployment to 7% by 2030, but those plans were disrupted by the coronavirus crisis that sent oil prices plummeting. Unemployment hit a record high of 15.4% in the second quarter last year. "In the first quarter of 2021, the overall Saudi unemployment rate decreased to 11.7% compared to 12.6% in the last quarter of 2020, reaching a level below pre-pandemic," the General Authority for Statistics said on Wednesday. The Saudi economy is expected to grow 2.1% this year after shrinking by 4.1% in 2020, the International Monetary Fund has said. In the first quarter, real gross domestic product shrank 0.5% QoQ mainly because of a drop in the oil sector, reflecting the Kingdom's voluntary oil output cuts. The non-oil economy grew by 4.9% compared with the last three months of last year, driven by a 6.3% private sector expansion. (Reuters)

- **Saudi Arabia's PIF considers buying Dubai design firm Depa, sources say** – Saudi Arabia's Public Investment Fund (PIF) is considering buying Dubai-listed interior design and specialty contractor Depa Plc to fit-out hotels under construction in the Kingdom, sources said. Should a deal be reached, an offer would be made to Depa's biggest shareholders and the firm would be taken private, sources said. PIF, which holds \$430bn of assets under management, declined to comment when contacted by Reuters on Tuesday. Depa, listed on Nasdaq Dubai, said in a statement to the bourse it was company policy not to comment on market rumors or media speculation. Depa would continue to make required disclosures to ensure that the market was kept informed on a timely basis as appropriate, it said. Saudi Arabia, the world's biggest oil exporter, is developing its tourism industry as part of an economic diversification push by Crown Prince, Mohammed bin Salman, the Kingdom's de facto ruler. (Reuters)

- **Saudi regulator gives green light for ACWA Power IPO** – Saudi Arabia's Capital Market Authority said on Wednesday it has approved an initial public offering of an 11.1% stake in ACWA Power, a listing that has been expected for years. ACWA Power, which delayed IPO plans in 2018, leads a consortium that will build and operate renewable power-based utilities at Saudi Arabia's flagship Red Sea tourism project. "The company's prospectus will be published within sufficient time prior to the start of the subscription period," CMA said, adding its approval for ACWA's offering of 81,199,299 shares was valid for six months. The Public Investment Fund, Saudi Arabia's sovereign wealth fund, said in November it increased its stake in ACWA Power to 50% from 33.6% as part of a move to support the renewable energy sector in Saudi Arabia. (Reuters)

- **Al Khaleej Training plans SR200mn rights issue** – Al Khaleej Training and Education seeks market regulator's approval to raise capital of SR200mn via offering 20mn new shares. Arab National Investment Co. is the financial advisor. (Bloomberg)

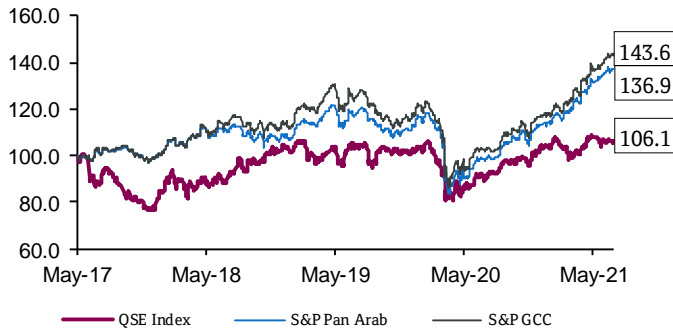
- **UAE GDP to grow by 1.5% this year as travel and trade return** – Dubai's biggest lender Emirates NBD expects the UAE's GDP to grow at 1.5% this year, with the non-oil sector growing at 3.5%, slightly lower than the Central Bank of the UAE (CBUAE) forecast of 4%. In a new report, the bank said the UAE's early and relatively fast vaccine rollout has allowed the economy to remain largely open. Hotel occupancy rates have recovered from last year's pandemic lows, private school enrollments in Dubai have increased 3.9% since September 2020 and the number of active mobile phone subscriptions has also increased since the lows last summer. However, these



indicators remain below pre-pandemic levels, the report said. (Zawya)

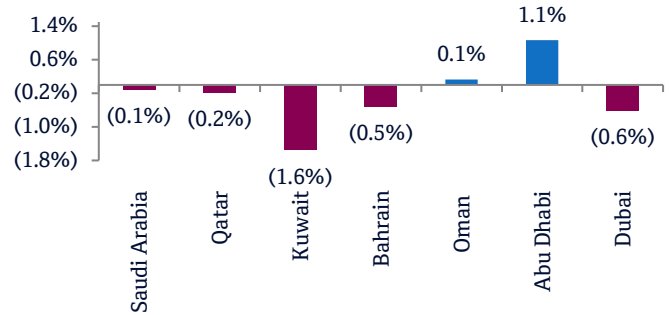
- **Mubadala, Bpifrance to invest up to EUR350mn euros in African companies** – Abu Dhabi's Mubadala and French national investment bank Bpifrance signed a memorandum of understanding to invest up to EUR350mn in private companies, with a focus on Africa, WAM reported on Wednesday. "Mubadala and Bpifrance plan to allocate up to 350 million euros through fund investments and direct investments in private equity and start-ups, with a focus on high-growth start-ups, SMEs and mid-sized enterprises," said the UAE official news agency. (Reuters)
- **ADNOC said to be in early talks to acquire stake in Masdar** – Abu Dhabi National Oil Co. (ADNOC) is in preliminary talks to acquire a significant minority stake in Masdar, Bloomberg reported citing people familiar with the matter. It could be one of the renewable energy industry's largest deals this year, sources said. The deal would help ADNOC diversify its portfolio into more carbon-neutral assets. ADNOC is interested in the company's portfolio of solar parks, wind farms, waste-to-energy projects and electric vehicle charging networks, the people said. State-owned utility Abu Dhabi National Energy Co., known as TAQA, had also previously studied a potential investment in Masdar, they said. The UAE is targeting net-zero carbon emissions by the middle of the century. ADNOC's portfolio is mainly in hydrocarbons. The acquisition of a Masdar stake would allow it to funnel its fossil fuel profits into alternative energy sources, Bloomberg said. (Zawya)
- **BP raises gas production from Oman's Block 61** – BP raised natural gas production from Oman's Block 61 from 1bn cubic feet per day to 1.5bn cubic feet per day, the state-run Oman News Agency reported on Wednesday. The company also plans to increase gas condensate output from Block 61's two main reservoirs, Khazzan and Ghazeer, it said. (Reuters)
- **Kuwait oil minister says vaccine rollouts helping oil demand prospects** – Kuwait's Oil Minister, Mohammad Abdulatif al-Fares on Wednesday expressed optimism about global oil demand as economies recover from the impact of the pandemic. "The expansion of coronavirus vaccine rollouts is contributing to strengthening expectations of economic growth in major and emerging economies, bolstering the global demand for crude," the minister said in a statement published by the state-run Kuwait News Agency ahead of a meeting of top global oil producers. (Reuters)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,770.11	0.5	(0.6)	(6.8)
Silver/Ounce	26.13	1.4	0.1	(1.0)
Crude Oil (Brent)/Barrel (FM Future)	75.13	0.5	(1.4)	45.0
Crude Oil (WTI)/Barrel (FM Future)	73.47	0.7	(0.8)	51.4
Natural Gas (Henry Hub)/MMBtu	3.72	(0.8)	9.4	55.6
LPG Propane (Arab Gulf)/Ton	108.75	4.1	4.6	44.5
LPG Butane (Arab Gulf)/Ton	120.25	2.3	4.4	73.0
Euro	1.19	(0.3)	(0.6)	(2.9)
Yen	111.11	0.5	0.3	7.6
GBP	1.38	(0.0)	(0.3)	1.2
CHF	1.08	(0.4)	(0.9)	(4.3)
AUD	0.75	(0.2)	(1.2)	(2.5)
USD Index	92.44	0.4	0.6	2.8
RUB	73.15	0.5	1.3	(1.7)
BRL	0.20	(0.2)	(0.7)	4.6

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,017.23	(0.2)	(0.3)	12.2
DJ Industrial	34,502.51	0.6	0.2	12.7
S&P 500	4,297.50	0.1	0.4	14.4
NASDAQ 100	14,503.95	(0.2)	1.0	12.5
STOXX 600	452.84	(1.2)	(1.8)	10.0
DAX	15,531.04	(1.4)	(1.2)	9.2
FTSE 100	7,037.47	(1.0)	(2.1)	10.1
CAC 40	6,507.83	(1.3)	(2.5)	13.6
Nikkei	28,791.53	(0.6)	(1.2)	(2.5)
MSCI EM	1,374.64	(0.2)	(0.4)	6.5
SHANGHAI SE Composite	3,591.20	0.6	(0.5)	4.5
HANG SENG	28,827.95	(0.6)	(1.6)	5.7
BSE SENSEX	52,482.71	(0.3)	(1.1)	8.0
Bovespa	126,801.70	(1.7)	(1.7)	10.0
RTS	1,653.78	0.8	(1.1)	19.2

Source: Bloomberg (\*\$ adjusted returns)

## Contacts

### QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

[info@qnbfs.com.qa](mailto:info@qnbfs.com.qa)

Doha, Qatar

### Saugata Sarkar, CFA, CAIA

Head of Research

[saugata.sarkar@qnbfs.com.qa](mailto:saugata.sarkar@qnbfs.com.qa)

### Shahan Keushgerian

Senior Research Analyst

[shahan.keushgerian@qnbfs.com.qa](mailto:shahan.keushgerian@qnbfs.com.qa)

### Mehmet Aksoy, PhD

Senior Research Analyst

[mehmet.aksoy@qnbfs.com.qa](mailto:mehmet.aksoy@qnbfs.com.qa)

**Disclaimer and Copyright Notice:** This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNBFS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNBFS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNBFS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNBFS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNBFS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNBFS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNBFS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNBFS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNBFS.

**COPYRIGHT:** No part of this document may be reproduced without the explicit written permission of QNBFS