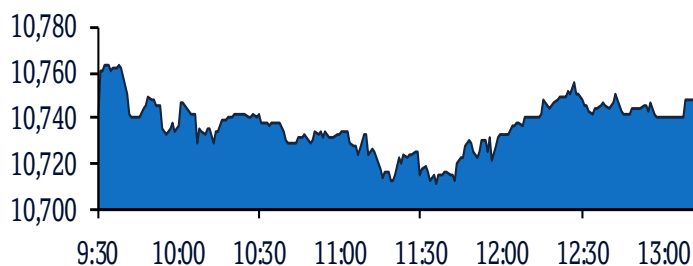


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.2% to close at 10,748.3. Gains were led by the Insurance and Banks & Financial Services indices, gaining 1.2% and 0.5%, respectively. Top gainers were Qatar Insurance Company and The Commercial Bank, rising 2.0% and 1.9%, respectively. Among the top losers, Qatar Electricity & Water Co. fell 3.5%, while Mannai Corporation was down 1.5%.

GCC Commentary

Saudi Arabia: The TASI Index gained marginally to close at 10,551.2. Gains were led by the Media and Entertainment and Diversified Financials indices, rising 9.2% and 2.9%, respectively. Saudi Research & Media Group rose 10.0%, while Tabuk Agricultural Development was up 9.9%.

Dubai: The DFM Index fell 0.4% to close at 2,797.5. The Investment & Financial Services and Real Estate & Construction indices declined 1.5% each. DAMAC Properties Dubai Company declined 3.6%, while Emirates Refreshments Company was down 3.4%.

Abu Dhabi: The ADX General Index gained 0.7% to close at 6,558.7. The Banks index rose 2.4%, while the Insurance index gained 0.1%. First Abu Dhabi Bank rose 3.2%, while Abu Dhabi Ship Building Co. was up 2.9%.

Kuwait: The Kuwait All Share Index fell marginally to close at 6,210.9. The Technology index declined 9.7%, while the Insurance index fell 1.8%. Automated Systems Co. declined 9.7%, while Kuwait Reinsurance Co. was down 9.5%.

Oman: The MSM 30 Index gained 0.4% to close at 3,852.6. Gains were led by the Industrial and Financial indices, rising 0.6% and 0.5%, respectively. Salalah Mills Company rose 7.3%, while Al Madina Investment Company was up 4.8%.

Bahrain: The BHB Index fell 0.7% to close at 1,527.6. The Commercial Banks index declined 1.2%, while the Industrial index fell 0.3%. Ahli United Bank declined 2.0%, while GFH Financial Group was down 1.6%.

Market Indicators	31 May 21	30 May 21	%Chg.
Value Traded (QR mn)	428.0	381.7	12.1
Exch. Market Cap. (QR mn)	624,421.2	623,971.5	0.1
Volume (mn)	156.4	190.9	(18.1)
Number of Transactions	9,927	7,980	24.4
Companies Traded	46	47	(2.1)
Market Breadth	20:25	22:21	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,276.83	0.2	(0.1)	6.1	18.2
All Share Index	3,413.78	0.2	0.0	6.7	19.0
Banks	4,495.51	0.5	0.3	5.8	15.7
Industrials	3,542.15	(0.6)	(0.6)	14.3	27.2
Transportation	3,406.17	0.5	0.7	3.3	22.7
Real Estate	1,894.77	0.1	(0.5)	(1.8)	18.0
Insurance	2,676.73	1.2	0.7	11.7	24.0
Telecoms	1,059.99	(0.1)	(0.2)	4.9	28.1
Consumer	8,215.98	(0.5)	(1.1)	0.9	28.8
Al Rayan Islamic Index	4,619.75	(0.2)	(0.4)	8.2	19.8

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
First Abu Dhabi Bank	Abu Dhabi	16.86	3.2	17,596.8	30.7
Ahli Bank	Oman	0.11	2.8	450.0	(12.6)
The Commercial Bank	Qatar	5.35	1.9	2,391.1	21.6
Emirates NBD	Dubai	13.80	1.8	1,457.4	34.0
Saudi Arabian Mining Co.	Saudi Arabia	59.00	1.7	1,302.1	45.7

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Qatar Electricity & Water	Qatar	16.03	(3.5)	1,308.1	(10.2)
ADNOC Distribution	Abu Dhabi	3.99	(2.4)	64,481.9	6.4
Ahli United Bank	Bahrain	0.72	(2.0)	494.2	(0.5)
Emaar Properties	Dubai	3.95	(1.7)	9,162.2	11.9
Aldar Properties	Abu Dhabi	3.65	(1.6)	42,637.8	15.9

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 Insurance Company	2.54	2.0	1,582.1	7.3
The Commercial Bank	5.35	1.9	2,391.1	21.6
Qatar International Islamic Bank	9.53	1.8	2,165.3	5.3
Gulf International Services	1.49	1.4	12,745.7	(13.3)
United Development Company	1.59	1.4	1,472.6	(3.7)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	1.02	(0.8)	22,079.8	56.7
Mazaya Qatar Real Estate Dev.	1.17	(0.9)	17,993.5	(7.5)
Investment Holding Group	1.14	0.2	16,499.2	90.7
Gulf International Services	1.49	1.4	12,745.7	(13.3)
Qatar Aluminum Manufacturing Co	1.65	(1.2)	11,342.8	70.3

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Electricity & Water Co.	16.03	(3.5)	1,308.1	(10.2)
Mannai Corporation	3.65	(1.5)	59.9	21.5
Qatar Industrial Manufacturing Co	2.86	(1.5)	94.1	(11.0)
Qatar National Cement Company	5.00	(1.3)	673.0	20.6
Qatar Aluminum Manufacturing	1.65	(1.2)	11,342.8	70.3

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.70	0.3	67,679.8	(0.7)
Qatar Islamic Bank	17.30	0.0	27,138.4	1.1
Salam International Inv. Ltd.	1.02	(0.8)	22,599.9	56.7
Industries Qatar	12.91	0.1	22,476.3	18.8
Qatar Electricity & Water Co.	16.03	(3.5)	21,341.0	(10.2)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,748.26	0.2	(0.1)	(1.5)	3.0	116.21	168,905.9	18.2	1.6	2.7
Dubai	2,797.52	(0.4)	(0.7)	7.4	12.3	40.83	105,006.2	21.0	1.0	2.9
Abu Dhabi	6,558.71	0.7	0.2	8.5	30.0	451.70	251,493.5	22.3	1.9	4.0
Saudi Arabia	10,551.23	0.0	0.3	1.3	21.4	3,581.67	2,574,185.4	34.6	2.3	2.0
Kuwait	6,210.90	(0.0)	0.1	1.6	12.0	179.44	118,006.6	39.4	1.6	2.3
Oman	3,852.61	0.4	0.5	2.4	5.3	8.15	17,301.9	11.5	0.7	4.7
Bahrain	1,527.62	(0.7)	(0.3)	2.9	2.5	3.28	23,660.9	26.2	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 rose 0.2% to close at 10,748.3. The Insurance and Banks & Financial Services indices led the gains. The index rose on the back of buying support from GCC, Arab and foreign shareholders despite selling pressure from Qatari shareholders.
- Qatar Insurance Company and The Commercial Bank were the top gainers, rising 2.0% and 1.9%, respectively. Among the top losers, Qatar Electricity & Water Co. fell 3.5%, while Mannai Corporation was down 1.5%.
- Volume of shares traded on Monday fell by 18.1% to 156.4mn from 190.9mn on Sunday. Further, as compared to the 30-day moving average of 245.6mn, volume for the day was 36.3% lower. Salam International Inv. Ltd. and Mazaya Qatar Real Estate Dev. were the most active stocks, contributing 14.1% and 11.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	35.77%	30.30%	23,379,331.8
Qatari Institutions	23.61%	38.09%	(62,002,905.4)
Qatari	59.37%	68.40%	(38,623,573.6)
GCC Individuals	0.41%	0.40%	57,035.5
GCC Institutions	3.45%	1.55%	8,137,071.6
GCC	3.86%	1.95%	8,194,107.1
Arab Individuals	11.06%	9.61%	6,215,387.2
Arab Institutions	0.00%	0.00%	–
Arab	11.06%	9.61%	6,215,387.2
Foreigners Individuals	2.45%	3.30%	(3,674,099.9)
Foreigners Institutions	23.26%	16.75%	27,888,179.2
Foreigners	25.71%	20.05%	24,214,079.3

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05/31	EU	European Central Bank	M3 Money Supply YoY	Apr	9.2%	9.6%	10.0%
05/31	Germany	German Federal Statistical Office	CPI MoM	May	0.5%	0.3%	0.7%
05/31	Germany	German Federal Statistical Office	CPI YoY	May	2.5%	2.3%	2.0%
05/31	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	Apr	2.5%	3.9%	1.7%
05/31	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	Apr	15.4%	16.9%	3.4%
05/31	Japan	Economic and Social Research I	Consumer Confidence Index	May	34.1	33.0	34.7
05/31	China	China Federation of Logistics and Purchasing	Non-manufacturing PMI	May	55.2	55.1	54.9
05/31	China	China Federation of Logistics and Purchasing	Manufacturing PMI	May	51.0	51.1	51.1
05/31	China	China Federation of Logistics and Purchasing	Composite PMI	May	54.2	–	53.8
05/31	India	Central Statistics Office India	GDP YoY	1Q	1.6%	1.0%	0.4%
05/31	India	Central Statistics Office India	GVA YoY	1Q	3.7%	2.6%	1.0%

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

News

Qatar

- IGRD postpones its AGM due to lack of quorum** – Investment Holding Group (IGRD) announced that the quorum for its Ordinary General Assembly meeting (AGM), which was held virtually through a conference call on May 31, 2021, was not achieved. The meeting is adjourned to the second appointment on June 2, 2021 at 4:30 p.m., virtually through a conference call. (QSE)
- ORDS to join Qatar delegation at St Petersburg International Economic Forum 2021** – Ooredoo (ORDS) has announced that it will join a host of Qatari companies attending the St Petersburg International Economic Forum (SPIEF) 2021 slated from June 2 to 5 in Russia. SPIEF is a platform for members of the international business community to meet and discuss key economic issues pertinent to Russia, emerging markets, and the world as a whole. Ooredoo will have a booth at the event focusing on its path to the major football event being held in Doha in 2022. Four screens will introduce Ooredoo and showcase details of preparations for the event, its pioneering 5G

network, and smart solutions, such as drone taxis, smart parking, and mobility. (Gulf-Times.com)

- Qatar April M2 money supply rises 2.3% YoY; Foreign reserves rises to QR205.1bn** – Qatar Central bank has published data on monetary aggregates for April. The M2 money supply rose 2.3% from year ago while it fell 2.4% MoM. The M1 money supply rose 4% from year ago and remained unchanged MoM. International reserves and foreign currency liquidity rose to QR205.1bn from QR205.bn in March. (Bloomberg)
- Qatar Petroleum hires banks to run 'jumbo' bond sale in June** – According to sources, Qatar Petroleum (QP) has hired international banks for a multi-billion dollar debut public bond sale by the end of June as lower oil and gas prices prompt Gulf energy firms to raise cash. QP, a top liquefied natural gas (LNG) supplier, appointed BofA Securities, Citi, Goldman Sachs, HSBC, JPMorgan and MUFG to lead the deal of up to \$10bn, the sources told Reuters. More banks are expected to be involved at a later stage, the sources said, with one adding that the QP bond issue was expected to be a "meaningful" so-called

jumbo deal. Gulf energy groups have been exploring a variety of ways to raise cash after they were pummeled last year by the COVID-19 pandemic and oil prices collapsing. (Reuters)

- **Qatar Petroleum sets fuel prices for June** – Qatar Petroleum set fuel prices in the State for June 2021. The prices saw a marginal increase with diesel set at QR1.75 a liter, compared to QR1.65 in May, while super gasoline 95 is costing QR1.90 per liter as against QR1.85 last month. The price of premium gasoline 91 has also increased to QR1.85 per liter from QR1.80 in May. (Gulf-Times.com)
- **Al-Sulaiti: Investment opportunities in Qatar's transportation, ICT sectors to be highlighted at SPIEF** – Ministry of Transport and Communications (MoTC) to participate in St Petersburg International Economic Forum (SPIEF) as part of State of Qatar's pavilion. The St Petersburg International Economic Forum (SPIEF) will provide an opportunity to highlight investment opportunities that Qatar provides in transportation and information and communication technology, said HE the Minister of Transport and Communications Jassim Seif Ahmed Al-Sulaiti. "The St Petersburg International Economic Forum is a very important global event and during our participation we are looking forward to working with our Russian counterparts to enhance the means of bilateral co-operation between the two countries," al-Sulaiti said while announcing the participation of the Ministry of Transport and Communications (MoTC) at St Petersburg International Economic Forum (SPIEF) as part of the State of Qatar's pavilion. SPIEF runs from June 2 to 5 under the auspices of the President of the Russian Federation Vladimir Putin. (Gulf-Times.com)
- **Kamco: Qatar expected to award \$31bn worth of projects this year** – Qatar, which powered the projects market in the Gulf region through its mammoth \$13bn gas expansion contracts in the first quarter (1Q), is expected to award as much as \$31bn worth of projects this year, according to Kamco. Finding that the GCC or Gulf Cooperation Council region saw the normal seasonal spike during 1Q2021 with project awards more than doubling to \$26.3bn against that in fourth quarter of 2020; it said "the growth came mainly on the back of a QoQ increase in project awards in Qatar and Kuwait, while the rest of the GCC countries reported declines." After witnessing declines over the last several quarters, the GCC project market showed "healthy" recovery during 1Q2021 on a quarterly basis. Of the \$26.3bn projects awarded in the GCC during 1Q2021; the gas sector saw as much as \$17.83bn or 68% of the total, followed by construction (\$3.18bn or 12%), power (\$1.61bn or 6%), transport (\$1.57bn or 6%), water (\$1.28bn or 5%), oil (\$0.61bn or 2%) and industrials (\$0.22bn or 1%). When compared to 1Q2020, only Qatar reported a growth in project awards that however showed a smaller decline at the aggregate GCC level at 3.5%, the report said. "The higher number for Qatar mainly reflects the \$13bn award for the Qatargas – LNG (liquefied natural gas) processing trains project," it said. (Gulf-Times.com)
- **Envoy: Panama Canal to play key role in Qatar-Latin America trade** – The Panama Canal would play a vital role in enhancing trade between the State of Qatar and its partner countries in Latin America, according to Panama's top diplomat in Qatar. Ambassador Musa Asvat said the Panama Canal has improved world trade, transportation, and connectivity for over a century, and connects 144 maritime routes that reach up to 160 countries worldwide. He said the expanded canal doubled the tonnage capacity of the waterway, enabling the transit of up to container ships and 90% of the liquefied natural gas (LNG) carrier fleet, offering significant time savings for LNG producers in the US when exporting to Asia. (Gulf-Times.com)
- **Real estate auction fetches QR231mn** – An auction organized recently by the Evacuation and Judicial Auction Department at

the Supreme Judiciary Council through the courts auctions app fetched a total sum of more than QR231mn from selling a building and a plot of land out of a total of 10 buildings. There was no bidding for the other eight pieces of real estate. Yousef Mohamed Al-Bakir, head of the department, told local Arabic daily Arrayah that the building sold was a house that fetched QR1,372,169 and the piece of land was sold for QR229,689,010. The first edition of online auctions was held by the department on November 25 last year. (Gulf-Times.com)

- **Qatar one of the world's best in meeting COVID-19 crisis** – With the acceleration of the pace of vaccination program against the COVID-19, Qatar continues to fight the virus by implementing the largest vaccination campaign in its history for citizens and residents of the country, free of charge. Qatar ranks among the top ten countries in the world, compared to its population, and it is also among the countries that have the lowest death rates in the world due to the quality and excellence of the healthcare system in the country. Nearly 9 out of 10 people over the age of 60 — which is the group most at risk of disease — have received at least one dose of COVID-19 vaccine, while nearly 8 out of 10 people in this group got both doses. The number of vaccination doses that were given to citizens and residents of Qatar until mid-May 2021 exceeded two and a half million doses, while more than 1,170,000 people have received at least one dose of the vaccine so far, with about 35,000 doses during only 24 hours. About 52% of the adult population in Qatar has received at least one dose of the vaccine so far, while 36.5% of the adult population has received both doses of the vaccine. (Gulf-Times.com)
- **Shura calls for stronger efforts to achieve QNV 2030 objectives** – The Shura Council on Monday reviewed the report of the Services and Public Utilities Committee on the briefing presented to the Council by President of Planning and Statistics Authority Dr Saleh bin Mohammed Al Nabit on the State's efforts regarding the Qatar National Vision (QNV) 2030 and the challenges it faces. At the beginning of the meeting chaired by Shura Speaker HE Ahmed bin Abdullah bin Zaid Al Mahmoud via videoconferencing, the Council praised the tireless efforts of the Amir His Highness Sheikh Tamim bin Hamad Al Thani to elevate the nation and its pride in a way that guarantees the continuation of the welfare of citizens for generations to come, particularly the development and implementation of the Qatar National Vision 2030. From the standpoint of compatibility and complementarity between the role of the Council and the government in exerting various efforts that would advance and elevate the nation, and in light of the information provided by Dr Nabit, the Council approved a number of recommendations and decided to refer them to the government with the aim of cooperating in the efforts made to achieve the national vision and to overcome any obstacles it may face. In its recommendations, the Council called for more coordination between the Planning and Statistics Authority and the relevant ministries and government agencies to reach the desired goals of the Qatar National Vision 2030, so that this coordination leads to overcoming obstacles that hinder the achievement of some of the goals of the vision. (Qatar Tribune)
- **Qatar, Equatorial Guinea sign several agreements** – The Amir HH Sheikh Tamim bin Hamad Al Thani and President of the Republic of Equatorial Guinea, HE Teodoro Obiang Nguema Mbasogo, held an official talks session at the Amiri Diwan yesterday morning. At the beginning of the meeting, H H the Amir welcomed H E the President and the accompanying delegation, wishing him a pleasant stay, and the relations of the two countries further development and growth in various fields. For his part, HE the President of Equatorial Guinea expressed his thanks to HH the Amir for the warm reception and hospitality,

stressing his country's keenness to develop and strengthen bilateral relations and cooperation with the State of Qatar in various fields to achieve the interests of both countries. During the session, they discussed bilateral relations between the two countries and ways to enhance and develop them, especially in the fields of investment, economy, energy, transportation and agriculture, in addition to exchanging views on a number of issues of common concern. (Peninsula Qatar)

- **World Cup 2022 projects reviewed in Beijing** – Qatar's ambassador in Beijing Mohamed bin Abdullah Al-Dehaimi hosted members of the BnB Club, which includes businessmen and foreign investors residing in China, on the sidelines of a promotional exhibition for the World Cup Qatar 2022. The ambassador gave a full explanation of the infrastructure projects and sports stadium facilities for the World Cup 2022. He also touched on the new procedures and laws that Qatar has implemented in the framework of improving workers' conditions in the country. (Gulf-Times.com)
- **Qatar 2022 World Cup qualifiers moved from China to Dubai due to COVID-19 surge** – Several World Cup football qualifiers scheduled to be played in China were moved to Dubai on Monday over coronavirus infections in the Syria and Maldives teams, the Chinese Football Association said. Seven Group A fixtures involving China, Syria, Maldives, the Philippines and Guam are affected, playing further havoc with the already heavily disrupted Qatar 2022 World Cup qualifiers. (Bloomberg)
- **Qatar Airways may stop taking Airbus deliveries amid spat** – Qatar Airways Chief Executive Officer Akbar Al Baker threatened to stop taking deliveries of Airbus SE jets this year because of an unspecified "serious" disagreement, a warning that could hamper the plane maker's recovery plans. "If we are not able to settle that serious issue we have with them, we will refuse to take any aircraft from them," the CEO said in an interview with Bloomberg TV. Falling out with Qatar Airways, Al Baker warned, will cause Airbus "a stress in the relationship with IAG, with LatAm, with other airlines in which we have a shareholding." The subject of the spat? "I unfortunately cannot tell you what that issue is," Al Baker said. (Bloomberg, Reuters)
- **Qatar Airways and Oman Air enhance cooperation** – Qatar Airways and Oman Air have expanded their codeshare partnership to cover more than 80 destinations on Qatar Airways' network. The agreement expansion will provide "more convenient and seamless" travel options for both airlines' passengers. This expansion follows shortly after the two airlines announced an agreement to significantly strengthen strategic cooperation between the two airlines in December. (Gulf-Times.com)
- **QFTH ranked second largest FinTech investor in MENA region by MAGNiTT** – Qatar FinTech Hub (QFTH), founded by Qatar Development Bank (QDB), to support the growth of the FinTech industry in Qatar, was ranked as the second top investor in FinTechs across the MENA region in the first quarter of 2021 by startups research and intelligence firm, MAGNiTT. The MENA Fintech Venture Report, which is one of MAGNiTT's flagship industry reports, takes a comprehensive look at the sector's quarterly performance within the venture capital and startup ecosystems in the MENA region. The report aggregates and analyses tech startup investments in 17 countries including Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Syria, Tunisia, the UAE, and Yemen. (Peninsula Qatar)

International

- **German inflation pushes further above ECB target in May** – Germany's annual consumer price inflation accelerated in May, advancing further above the European Central Bank's target of

close to but below 2%, the Federal Statistics Office said on Monday. Consumer prices, harmonized to make them comparable with inflation data from other European Union countries, rose by 2.4% in May, up from 2.1% in April. A Reuters forecast had pointed to a May reading of 2.5%. The ECB's chief economist, Philip Lane, said earlier this month the bank had a "lot of work to do" to raise inflation back to its 2% goal and market talk of rapidly rising prices is misplaced. Euro zone inflation is approaching 2%, its fastest rate in years, on the back of fiscal support and the unwinding of last year's oil price crash, prompting some commentators to predict a new era of inflation. But Lane pushed back on this narrative, arguing that the labor market will take years to get back to its pre-crisis level, corporate balance sheets are depleted and the economic rebound is still predicated on copious central bank and government support. The ECB will next meet on June 10 and must decide whether to ease up on its stimulus given the prospect of rapid growth over the rest of the year as economic restrictions are lifted and the services sector rebounds. "The ECB is unlikely to be disturbed by the short-term fluctuations in the inflation rate and will only slowly return its policy to normal," Holger Schmieding, chief economist at Berenberg Bank, said (Reuters)

- **French Minister: EU to kick off pandemic plan with 10 bn euro bond issue** – The European Union plans to kick off its 750bn Euro pandemic recovery package with an initial 10bn Euro bond issue, France's junior minister for European affairs, Clement Beaune, said on Monday. In an interview with French financial daily Les Echos, Beaune also said that more than 100bn Euros would be injected into the European economy from this year. Beaune said the European Commission would launch the debt issuance process on June 1 by calling on big European and international banks, and the securities would be issued in June. "The market appetite should be very major and the interest rates very favorable," he told Les Echos. Asked whether the new bonds would be called corona-bonds, he said "let's avoid this radioactive term", and added that with the recovery package an embryonic European Union treasury was taking shape. Proceeds of the issue would be spent from July onwards and by the end of the year Europe will inject more than 100 bn euros into its economy to finance the recovery of its member states, he said. Asked about a G7 initiative for a minimum corporate tax rate of 15%, he said that within the European Union, Ireland was the most hostile to the principle of a minimum tax and taxation of internet companies, and to a lesser degree Cyprus and Malta. He added that the Netherlands was not opposed to the principle but will be demanding about its implementation. (Reuters)
- **Finance Minister: France's 2021 public deficit likely to be 9.4%** – The French public deficit will likely be 9.4% of gross domestic product this year, Finance Minister Bruno Le Maire said on Monday, compared to a previous estimate of 9%. Le Maire also told national TV channel France 2 television that he expected economic growth to return in early 2022 to pre-COVID-19 levels, reiterating his forecast of 5% economic growth for this year. "I am convinced that we will achieve 5% growth in 2021 and that we will return at the start of 2022 to the same level of economic activity that we had before the crisis," Le Maire said. (Reuters)
- **PMI: Japan's May factory activity growth slows as emergency weighs** – Factory activity in Japan expanded at a slower pace in May as growth in output and new orders eased, and though external demand remains strong worries are growing that domestic coronavirus emergency curbs could derail the economic recovery. Japan extended a state of emergency in Tokyo and other major areas to June 20 last week, as the

COVID-19 pandemic shows no signs of abating less than two months before the Summer Olympics open. The world's third-largest economy shrank at a faster-than-expected pace in the first quarter, mainly due to drops in private consumption and capital expenditure. However, manufacturers have benefited from solid overseas demand, especially from key markets such as China and the US, where progress in vaccine rollouts have improved the outlook. The final au Jibun Bank Japan Manufacturing Purchasing Managers' Index (PMI) dropped to a seasonally adjusted 53.0 in May from 53.6 in the previous month, but higher than a 52.5 flash reading. Manufacturing activity has now stayed above the 50.0 threshold that separates contraction from expansion for the fourth straight month. (Reuters)

- **Japan 1Q corporate capex down 7.8% YoY** – Japanese companies cut spending on plant and equipment for the fourth consecutive quarter in January-March, as the economy struggles to shake off the drag from the coronavirus pandemic. A slow recovery of firms' propensity to spend is likely to worry policymakers hoping strong domestic demand can help make the country's economic recovery more sustainable. Ministry of Finance (MOF) data out on Tuesday showed capital expenditure in the first quarter fell 7.8% from the same period last year, pulled down by weaker investments in transportation equipment, electrical machinery and real estate. It marked the fourth quarter of an annual decline in capital expenditure in a row, after posting a 4.8% contraction the final quarter of last year. The world's third-largest economy slumped back into decline in the first quarter as a slow vaccine rollout and repeated emergency curbs put in place to halt a resurgence of infections hurt domestic demand. After bouncing from last year's slump, driven by a strong recovery of exports, some analysts worry Japan's economy could slip back into recession in the current quarter due to extended coronavirus curbs. A preliminary estimate found Japan's economy shrank an annualized 5.1% in the first quarter as households curtailed spending following a resurgence of infections and export growth slowed sharply. The latest MOF survey showed manufacturers' business spending fell 6.4% from a year earlier, while that of service-sector firms dropped 8.5%. (Reuters)
- **Japan's capital spending extends declines as firms tighten purse strings** – Japanese companies cut spending on plant and equipment for the fourth straight quarter in January-March, as the economy struggles to shake off the drag from the coronavirus pandemic. Weak business spending is likely to worry policymakers hoping strong domestic demand can help make the country's economic recovery more sustainable. Ministry of Finance (MOF) data out on Tuesday showed capital expenditure in the first quarter fell 7.8% from the same period last year, pulled down by weaker investments in transportation equipment, electrical machinery and real estate. It marked the fourth consecutive quarter of annual decline in capital expenditure, after a 4.8% contraction the final quarter of last year. "The figure gives a weak impression, but GDP was originally weak already," said Hiroshi Miyazaki, senior economist at Mitsubishi UFJ Morgan Stanley Securities. A separate, private-sector survey on Tuesday showed Japan's factory activity expanded in May, largely thanks to strong external demand, but at a slower pace. The world's third-largest economy slumped back into decline in the first quarter as a slow vaccine rollout and repeated emergency curbs to halt a resurgence of infections hurt domestic demand. The finance ministry's capex data, which will be used to update gross domestic product (GDP) figures for the first quarter due out June 8, was unlikely to impact the growth estimate in a major way, analysts said. (Reuters)

- **Growth in China home prices to sustain momentum in 2021** – China's home prices are expected to grow faster this year than anticipated a few months earlier fueled by hot demand in major cities and easy liquidity, despite Beijing's heightened cooling measures, a Reuters poll showed. As China's economy recovers from the COVID-19 shock, authorities have stepped up curbs on the property sector to guard against financial risks as concerns mount over speculative behavior in some parts of the market. Home prices, however, extended a rising streak in recent months with heat spilling over into some smaller towns from metropolises. Average residential property price growth is estimated to grow 5% in 2021, according to 11 analysts and economists surveyed by Reuters. The forecast topped a 3.3% gain tipped in a February survey, and slightly higher than around 4.9% gain in 2020. Home prices are seen slowing to 3% in the first half of 2022. Chinese authorities have since this year intensified their efforts to rein in the relentless rise in home prices and drive speculators out of the market. Local policies include capping prices set by developers and preventing some real estate agencies from setting excessively high second-hand home prices. Banks in major cities also hiked mortgage rates. Property sales volume is expected to be flat from last year, unchanged from the previous poll, and versus a 2.6% gain in 2020. Housing investments are estimated to rise 7% this year, in line with the pace in 2020, and marginally higher than 6.4% in the February poll. Most survey respondents forecast it will take a long time before China enacts broad property tax, but some predicted some bigger cities with frothy housing markets might see pilot schemes come into force in the coming year. Speculation has risen recently that China plans to expand property tax reforms beyond Shanghai and Chongqing in efforts to cool prices. State media have cited experts saying the southern tech hub of Shenzhen and the resort island of Hainan could be next to roll out pilot schemes. (Reuters)
- **India's economic growth picks up before huge COVID-19 wave hit** – India's annual economic growth rate picked up in January-March compared with the previous three months, but economists are increasingly pessimistic about this quarter after a huge second wave of COVID-19 infections hit the country last month. A slow vaccination drive and local restrictions after a massive second wave of infections and deaths across the country have hit economic activities like retail, transport and construction while putting millions out of work. India has recorded 28mn COVID-19 infections, second only to the US, and 329,100 deaths as of Monday, although the rise has begun to slow. Gross domestic product grew 1.6% in January-March compared with the same period a year earlier, mainly driven by state spending and manufacturing sector growth, data from the statistics ministry showed. Economists said the country faces a slowdown in consumer demand as household incomes and jobs have declined, with limited scope for the government to offer growth stimulus due to its rising debt. (Reuters)
- **Central bank Brazil govt debt falls to 86.7% of GDP in April** – Brazil's government debt as a share of gross domestic product fell sharply in April to 86.7% from 88.9% in March and the public sector posted a primary surplus of 24.3 bn reais (\$4.7 bln), the central bank said on Monday. The public sector surplus excluding interest payments was much more than the 16.75 bn reais forecast in a Reuters poll of economists, and the overall deficit in the 12 months through April shrank to 7.1% of GDP from 9.1%. (Reuters)

Regional

- **OPEC+ sees tighter oil market and sharp fall in global stocks** – OPEC and its allies tightened their outlook for global oil markets, forecasting that inventories will fall sharply over the rest of this year if they do not raise production further. The

group's Joint Technical Committee, assessing the market before ministers meet, expects that the surplus in oil stocks will have all but disappeared by the end of next month, according to a document seen by Bloomberg. Inventories will decline by at least another 2mn bpd from September through December. The OPEC+ alliance, led by Saudi Arabia and Russia, is restoring some of the crude supplies cut last year when the coronavirus pandemic hammered businesses and demand for fuel. The curbs have helped oil climb around 35% this year. "There are many moving parts when it comes to factors affecting the global oil market, such as the pace of change during the pandemic," OPEC Secretary-General, Mohammad Barkindo said after the JTC met. OPEC+ continues to be a "reliable and dependable component contributing to oil market stability." The OPEC and its partners are raising output cautiously. Energy demand remains fragile because of renewed virus outbreaks in India and elsewhere, while the potential resumption of flows from OPEC member Iran poses additional uncertainties. (Peninsula Business)

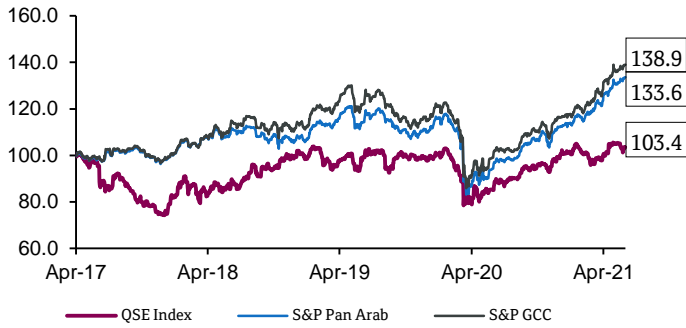
- **OPEC oil output rise in May limited by Nigeria, Iran losses –** OPEC oil output has risen in May as the group agreed to ease supply curbs under a pact with allies, a Reuters survey showed, although a drop in Iranian exports and involuntary reductions in African members limited the increase. The 13-member OPEC has pumped 25.52mn bpd in May, the survey found, up 280,000 bpd from April. Output has risen every month since June 2020 with the exception of February. Hoping for a global demand recovery, OPEC and allies, known as OPEC+, decided from May 1 to ease more of the record supply cuts made in 2020. OPEC+ meets on Tuesday and delegates expect producers to stick to the existing plan. (Reuters)
- **Saudi Arabia's April total reserve assets fell to SR1,652.8bn –** Saudi Arabian Central Bank (SAMA) has published foreign assets and reserves data for April which showed that total reserve assets fell to SR1,652.8bn from SR1,683.6bn in March. Investment in foreign securities fell to SR1,117.3bn from SR1,124.3bn in March. FX and deposits abroad fell to SR489.4bn from SR513.6bn in March. The M1 money supply rose 9.5% YoY, M2 money supply rose 6.7% YoY and M3 money supply rose 8.3% YoY. (Bloomberg)
- **Saudi Aramco sets June Propane at \$530/ton, Butane at \$525/ton –** Saudi Aramco set LPG contract prices for June-loading cargoes to Asian customers, a company official said. June propane is set at \$530/ton, up from \$495/ton a month earlier, June butane at \$525/ton, up from \$475/ton a month earlier. (Bloomberg)
- **Israel, UAE sign tax treaty to boost economic cooperation –** Israel and the UAE signed a tax treaty on Monday, Israel's Finance Ministry said, describing the move as a spur to business development between the countries after they normalized relations last year. The UAE finance ministry said in October that it had reached a preliminary agreement with Israel on avoiding double taxation. The tax convention, once ratified by ministers and parliament this year, will be Israel's 59th and go into effect on Jan. 1, 2022. It is the first tax treaty reached in the wake of Israel's normalizing relations with the UAE and Bahrain last year. In parallel, Israel has moved to improve ties with Morocco and Sudan. The treaty is based primarily on the OECD model, Israeli Finance Minister Israel Katz said in a statement, adding that it "provides certainty and favorable conditions for business activity and will strengthen economic ties" with the UAE. Under the agreement, tax deductions, dividends and royalties are capped. Israeli Foreign Minister Gabi Ashkenazi said the treaty will enable significant promotion of investment and trade that will help both countries' economies. (Reuters)

- **UAE Sukuk standards slow issuance, distort prices, investors say –** The adoption by the UAE of certain Shari'ah-compliance standards has slowed the issuance of Islamic bonds from the Gulf, adding to a chronic supply-demand imbalance, market sources said. Dubai, one of the UAE's seven Emirates, has long aimed to establish itself as a major global center for issuance of Sukuk, or Islamic bonds, that constitute the backbone of the \$2.2tn global Islamic finance industry. UAE investors are also key players in the global Sukuk market. But compliance standards adopted by UAE central bank body the Higher Sharia Authority, and confusion around them, are preventing local banks from buying some Sukuk, prompting investors to request clearer rules as the UAE's flow of new issuance ebbs, market sources said. "The market is going through a teething period as it seeks clarity on how to find ways to comply with the regulations," global Head of Islamic finance at Fitch Ratings, Bashar Al Natour said. The Higher Sharia Authority (HSA) adopted the sharia standards of the Bahrain-based Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), the standard-setting body for the Islamic financial industry, in 2018. However, issuance programs created prior to that were exempt from the new rules, sources said, meaning the effect has taken some time to become apparent. (Reuters)
- **Dubai plans emissions-free public transport by 2050 –** Dubai plans to make public transport in the emirate emissions-free by 2050, the government's media office said on Monday. Dubai announced in 2015 a "Clean Energy Strategy" to produce 75% of its energy requirements from renewable resources by 2050. (Reuters)
- **Emirates Stallions Group lists on Abu Dhabi exchange –** Emirates Stallions Group, the construction and real estate company owned by Abu Dhabi's International Holding Company (IHC), listed on the Abu Dhabi Securities Exchange Second Market on Monday. It made its trading debut under the ticker ESG, IHC said in a disclosure on ADX. Emirates Stallions Group, which is present in 12 markets, had assets of AED537mn as of the end of 1Q2021 and over 1000 employees. The Chairman of Emirates Stallions Group, Matar Suhail Al Yabhouni Al Dhaheri said: "Listing Emirates Stallions Group on the ADX Second Market allows wider investor participation in an important business within the IHC Group. Backed by the financial strength of IHC, the second largest company by market capitalization on the ADX, our portfolio companies have proven resilient over the last year and are well positioned to grasp new opportunities as the UAE and regional economies make a strong rebound from the global pandemic." (Zawya)
- **Oman sells OMR90mn 28-day bills at yield 0.652% –** Oman sold OMR90mn of 28-day bills due on June 30. The bills were sold at a price of 99.95, have a yield of 0.652% and will settle on June 2, 2021. (Bloomberg)
- **Kuwait's Crown Prince, Oil Minister to visit Saudi Arabia on Tuesday –** Kuwait's Crown Prince, Sheikh Meshal al-Ahmad will lead a delegation, which includes the Oil and Foreign ministers, on an official visit to neighboring Saudi Arabia, state media reported. The visit comes amid a separate meeting of the OPEC and their allies including Russia on Tuesday. The group known as OPEC+ is expected to stay the course on its plans to gradually ease supply cuts until July. Kuwait and Saudi Arabia, which share oilfields in a neutral zone on the boundary of the two countries, last year began production at one of the fields after a five-year hiatus. (Reuters)
- **Gulf Bank redeems KD100mn Tier 2 subordinated bonds –** Kuwait-based Gulf Bank redeems the KD100mn Tier 2 subordinated bonds that were issued May 30, 2016. Central bank had approved call option on April 18, 2021. Gulf Bank also

gets regulatory approval for Tier 2 bonds of up to KD50mn. (Bloomberg)

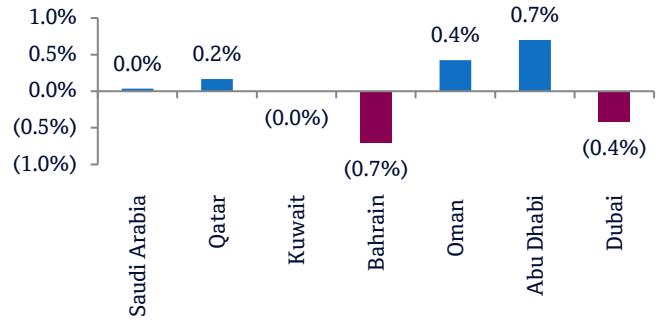
- **Kuwait International Bank to sell its total exposure to NMC** – Kuwait International Bank (KIB) has announced it will sell its exposure to NMC Healthcare, which was placed into administration last year. In a statement to Bursa Kuwait, the Kuwaiti lender said it would sell the exposure, aggregating to \$74.11mn, for \$13.25mn, subject to due diligence requirements. The buyer was not named in the bourse filing. NMC was placed into administration in September 2020. (Zawya)
- **Bahrain's economic growth 'to rebound'** – Bahrain's economic growth is set to rebound as oil prices recover and activity in the region increases, shows new analysis from S&P. The US research firm expects the kingdom's real GDP to expand by 2.7% this year, swinging into positive territory after a 5.8% contraction last year. Real GDP is an inflation-adjusted measure that reflects the value of all goods and services produced by an economy in a given year, as against nominal GDP which does not factor changes in prices of goods and services. The Bahrain government's vaccination campaign has been swift and widespread, providing jabs free of charge, with over 60% of the eligible population inoculated and the King Fahad Causeway to Saudi Arabia re-opened this month, providing additional impetus to growth, says the S&P report. (Zawya)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 2.05x** – Bahrain sold BHD70mn of 91-day bills due on September 1. Investors offered to buy 2.05 times the amount of securities sold. The bills were sold at a price of 99.586, have a yield of 1.64% and will settle on June 2. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,906.87	0.2	0.2	0.4
Silver/Ounce	28.03	0.3	0.3	6.2
Crude Oil (Brent)/Barrel (FM Future)	69.32	(0.4)	(0.4)	33.8
Crude Oil (WTI)/Barrel (FM Future)	66.32	0.0	0.0	36.7
Natural Gas (Henry Hub)/MMBtu	2.84	0.0	0.0	18.8
LPG Propane (Arab Gulf)/Ton	89.00	0.0	0.0	18.3
LPG Butane (Arab Gulf)/Ton	93.50	0.0	0.0	34.5
Euro	1.22	0.3	0.3	0.1
Yen	109.58	(0.2)	(0.2)	6.1
GBP	1.42	0.2	0.2	4.0
CHF	1.11	0.1	0.1	(1.6)
AUD	0.77	0.3	0.3	0.5
USD Index	89.83	(0.2)	(0.2)	(0.1)
RUB	73.43	0.3	0.3	(1.3)
BRL	0.19	0.1	0.1	(0.5)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,975.70	(0.1)	(0.1)	10.6
DJ Industrial [#]	34,529.45	0.0	0.0	12.8
S&P 500 [#]	4,204.11	0.0	0.0	11.9
NASDAQ 100 [#]	13,748.74	0.0	0.0	6.7
STOXX 600	446.76	(0.3)	(0.3)	12.0
DAX	15,421.13	(0.4)	(0.4)	11.9
FTSE 100	7,022.61	0.0	0.0	13.0
CAC 40	6,447.17	(0.3)	(0.3)	16.2
Nikkei	28,860.08	(0.7)	(0.7)	(0.8)
MSCI EM	1,376.21	1.1	1.1	6.6
SHANGHAI SE Composite	3,615.48	0.4	0.4	6.7
HANG SENG	29,151.80	0.1	0.1	6.9
BSE SENSEX	51,937.44	0.9	0.9	9.6
Bovespa	126,215.70	0.3	0.3	4.6
RTS	1,597.54	(0.4)	(0.4)	15.1

Source: Bloomberg (*\$ adjusted returns, [#]Market was closed on May 31, 2021)

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