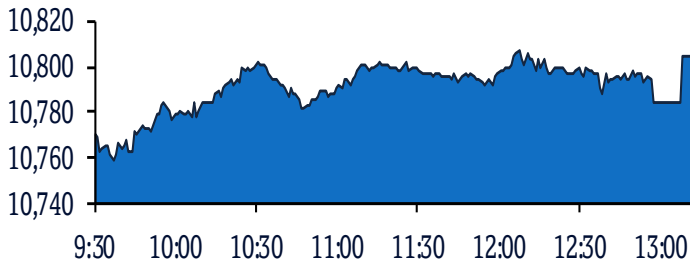


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.2% to close at 10,804.7. Gains were led by the Banks & Financial Services and Consumer indices, gaining 0.7% and 0.3%, respectively. Top gainers were Qatar Cinema & Film Distribution and Qatar Islamic Insurance Company, rising 7.2% and 2.1%, respectively. Among the top losers, INMA Holding and Medicare Group were down 0.9% each.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.6% to close at 10,656.8. Gains were led by the Diversified Financials and Food & Beverages indices, rising 2.8% and 1.4%, respectively. Saudi Advanced Industries rose 8.3%, while Jadwa REIT Al Haramain Fund was up 5.2%.

Dubai: The DFM Index gained 0.1% to close at 2,839.1. The Consumer Staples and Discretionary index rose 0.8%, while the Banks index gained 0.3%. Arabian Scandinavian Insurance rose 6.0%, while DAMAC Properties Dubai was up 2.8%.

Abu Dhabi: The ADX General Index gained 0.2% to close at 6,626.2. The Investment & Financial Services index rose 0.5%, while the Industrial index gained 0.4%. Sharjah Cement & Indus Development rose 13.8%, while Abu Dhabi Natl Co. for Building Materials was up 7.4%.

Kuwait: The Kuwait All Share Index gained 0.5% to close at 6,251.1. The Basic Materials index rose 1.8%, while the Consumer Discretionary index gained 1.6%. Energy House Holding Co. rose 10.5%, while Palms Agro Production was up 9.9%.

Oman: The MSM 30 Index gained 0.6% to close at 3,915.5. Gains were led by the Financial and Services indices, rising 0.8% and 0.3%, respectively. Sharqiyah Desalination Co. rose 9.6%, while Al Sharqiya Investment Holding Co. was up 4.3%.

Bahrain: The BHB Index gained 0.2% to close at 1,522.2. The Insurance index rose 1.0%, while the Commercial Banks index gained 0.5%. Takaful International Co. rose 5.5%, while Bahrain National Holding was up 2.7%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	4.50	7.2	0.3	12.7
Qatar Islamic Insurance Company	7.95	2.1	19.2	15.2
Zad Holding Company	15.78	1.7	11.0	16.4
QNB Group	17.99	1.4	4,307.2	0.9
Gulf International Services	1.49	1.2	15,915.8	(13.0)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	1.02	0.0	24,102.4	57.1
Aamal Company	1.05	0.7	24,101.7	22.2
Gulf International Services	1.49	1.2	15,915.8	(13.0)
Aljarah Holding	1.26	1.0	13,359.7	1.0
Mazaya Qatar Real Estate Dev.	1.17	0.2	11,110.3	(7.6)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,804.71	0.2	0.4	0.5	3.5	123.13	171,688.0	18.3	1.6	2.7
Dubai	2,839.14	0.1	0.8	1.5	13.9	51.45	105,982.3	21.3	1.0	2.9
Abu Dhabi	6,626.24	0.2	1.2	1.0	31.3	379.54	254,454.3	22.4	1.9	3.7
Saudi Arabia	10,656.81	0.6	1.3	1.0	22.6	2,209.67	2,587,974.8	34.9	2.4	2.0
Kuwait	6,251.09	0.5	0.7	0.6	12.7	179.60	118,235.6	39.7	1.6	2.2
Oman	3,915.47	0.6	2.2	1.6	7.0	8.93	17,505.3	11.7	0.7	4.6
Bahrain	1,522.21	0.2	(0.7)	(0.4)	2.2	2.09	23,343.8	26.1	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)

Market Indicators	02 Jun 21	01 Jun 21	%Chg.
Value Traded (QR mn)	454.2	440.3	3.1
Exch. Market Cap. (QR mn)	629,124.3	625,984.9	0.5
Volume (mn)	173.0	159.2	8.7
Number of Transactions	10,867	9,793	11.0
Companies Traded	47	47	0.0
Market Breadth	22:16	21:24	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,388.58	0.2	0.4	6.6	18.3
All Share Index	3,435.11	0.4	0.6	7.4	19.1
Banks	4,529.94	0.7	1.1	6.6	15.8
Industrials	3,571.26	0.1	0.3	15.3	27.4
Transportation	3,398.73	(0.2)	0.5	3.1	22.7
Real Estate	1,897.82	0.1	(0.3)	(1.6)	18.0
Insurance	2,656.53	(0.1)	(0.0)	10.9	23.8
Telecoms	1,078.41	0.2	1.5	6.7	28.6
Consumer	8,237.56	0.3	(0.8)	1.2	28.9
Al Rayan Islamic Index	4,636.29	0.2	(0.1)	8.6	19.9

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Industrialization	Saudi Arabia	19.88	4.3	12,723.1	45.3
Almarai Co.	Saudi Arabia	57.00	3.1	2,954.2	3.8
SABIC Agri-Nutrients	Saudi Arabia	105.60	2.9	411.6	31.0
Bank Dhofar	Oman	0.12	2.6	2,945.8	22.7
Gulf Bank	Kuwait	0.23	2.2	37,862.1	4.6

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
ADNOC Distribution	Abu Dhabi	4.33	(1.4)	23,234.5	15.5
BBK	Bahrain	0.49	(1.0)	30.9	5.6
GFH Financial Group	Dubai	0.66	(0.6)	4,587.1	11.5
Emaar Malls	Dubai	1.97	(0.5)	8,903.2	7.7
Bahrain Telecom. Co.	Bahrain	0.60	(0.3)	154.4	(0.7)

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
INMA Holding	5.35	(0.9)	592.3	4.6
Medicare Group	9.20	(0.9)	83.4	4.1
Dlala Brokerage & Inv. Holding Co	1.72	(0.6)	2,260.3	(4.2)
Qatar Navigation	7.30	(0.6)	306.8	2.9
Qatar Oman Investment Company	1.06	(0.6)	5,216.7	20.0

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.99	1.4	77,287.5	0.9
Qatar Islamic Bank	17.35	0.2	42,418.8	1.4
Industries Qatar	12.97	(0.2)	36,150.0	19.3
Aamal Company	1.05	0.7	25,450.2	22.2
Salam International Inv. Ltd.	1.02	0.0	24,696.4	57.1

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index rose 0.2% to close at 10,804.7. The Banks & Financial Services and Consumer 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 Cinema & Film Distribution and Qatar Islamic Insurance Company were the top gainers, rising 7.2% and 2.1%, respectively. Among the top losers, INMA Holding and Medicare Group were down 0.9% each.
- Volume of shares traded on Wednesday rose by 8.7% to 173.0mn from 159.2mn on Tuesday. However, as compared to the 30-day moving average of 239.4mn, volume for the day was 27.7% lower. Salam International Inv. Ltd. and Aamal Company were the most active stocks, contributing 13.9% and 13.9% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	31.34%	38.35%	(31,827,861.1)
Qatari Institutions	20.74%	31.52%	(48,969,285.4)
Qatari	52.08%	69.87%	(80,797,146.5)
GCC Individuals	0.26%	0.32%	(266,105.6)
GCC Institutions	5.04%	2.16%	13,063,898.2
GCC	5.30%	2.48%	12,797,792.6
Arab Individuals	8.95%	8.62%	1,540,946.3
Arab Institutions	0.00%	0.04%	(179,300.0)
Arab	8.95%	8.65%	1,361,646.3
Foreigners Individuals	5.16%	2.85%	10,516,851.0
Foreigners Institutions	28.50%	16.15%	56,120,856.7
Foreigners	33.67%	18.99%	66,637,707.7

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06/02	US	Mortgage Bankers Association	MBA Mortgage Applications	28-May	-4.0%	-	-4.2%
06/02	EU	Eurostat	PPI MoM	Apr	1.0%	1.0%	1.1%
06/02	EU	Eurostat	PPI YoY	Apr	7.6%	7.5%	4.3%
06/03	China	Markit	Caixin China PMI Composite	May	53.8	-	54.7
06/03	China	Markit	Caixin China PMI Services	May	55.1	56.2	56.3

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

News

Qatar

- CBQK offers shareholders of National Bank of Oman to acquire an additional 15.2% stake** – The Commercial Bank (CBQK) (the Offeror) has announced an offer to all of the shareholders of the National Bank of Oman (the Offeree) to acquire an additional 15.2% of the issued capital of the Offeree. Pursuant to Article 2 of the Merger & Acquisition Rules of the QFMA (the "Rules"), we are required to disclose certain information (unless otherwise defined, definitions have the same meanings as given to them in the Rules), and do so as follows: a. The name of the Offeror Company, its headquarters, objectives, capital, address, names of Top Management members and Major Shareholders and the shareholding percentage of each of them in the Offeree Company. The Offeror is The Commercial Bank (CBQK), a bank licensed by the Qatar Central Bank with commercial registration number 150 and registered office at Commercial Bank Plaza, PO Box 3232 Doha, Qatar. The Offeror's capital is QR4,047,253,750. (QSE)
- IGRD holds its AGM and endorses items on its agenda** – The Ordinary General Assembly meeting (AGM) of Investment Holding Group (IGRD) endorsed during its meeting held virtually, through a conference call, on, June 02, 2021, the following decision: The voting process to elect four independent members for the Board membership has been performed, and the following candidates acquired the votes as per the following order: (1) Sheikh Nasser bin Ali bin Saud Al-Thani / 52,421,700 votes. (2) Samir Abu Lughod / 51,847,670 votes. (3) Omer Abdulaziz Al-Marwani / 48,340,000 votes. (4) Hamad Abdulla Al-Emadi / 48,264,840 votes. (5) Nasser Jeham Al-Kuwari / 3,016,480 votes. (6) Bothaina Al Ansari/ 548,700 votes. The

meeting's Chairman has declared the winning four candidates as those who received the majority of votes. Where the seat of one of the Board members becomes vacant, such seat shall be filled by the member who received the highest votes from the shareholders who have not attained membership of the Board. Where a justifiable reason prevents such member from taking up the seat, he / she shall be replaced by the next member who received the highest votes. The new member shall only complete the unexpired term of his/her predecessor. (QSE)

- ORDS CEO shares insights, expertise at SPIEF** – Ooredoo (ORDS) Chief Executive Officer Sheikh Mohamed bin Abdulla Al-Thani has joined a panel discussion on the importance of innovation in telecommunications at the St Petersburg International Economic Forum (SPIEF). Senior-level participants shared their thoughts on the role of innovation in business strategy in their industry, and insights into opportunities available for both Qatari and Russian technology start-ups and SMEs with their organizations. Sheikh Mohamed detailed ORDS's longstanding investment in innovation, highlighting its partnerships with global innovation leaders and Qatari entities and its commitment to initiatives promoting innovation in the telecommunications industry. ORDS is currently part of a delegation of companies representing Qatar at the SPIEF, being held from June 2 to 5 in Russia. (Gulf-Times.com)
- Qatar's trade surplus almost triples YoY in April** – Qatar's trade surplus almost tripled YoY this April, mainly triggered by an almost quadrupled non-crude shipments and almost tripled crude exports, according to the official estimates. The rebound in the country's merchandise trade has been mainly on account of robust high two-digit expansion in exports, especially to Asian

countries, said the figures released by the Planning and Statistics Authority (PSA). Overall, Qatar recorded trade surplus of QR12.79bn in April 2021, which was, however, down 3% MoM in the review period. The Asian region accounted for more than 64% of Qatar's exports with Japan, China and India occupying the first three slots; while the imports came from diversified geographies. The total exports of goods (including exports of goods of domestic origin and re-exports) were QR20.95bn, showing a stupendous 77.1% surge YoY but declined 5% on monthly basis in the review period. In April this year, Qatar's shipments to Japan amounted to QR2.81bn or 13.4% of the total exports of the country, followed by China QR2.76bn (13.2%), India QR2.67bn (12.7%), South Korea QR2.12bn (10.1%) and Singapore QR1.01bn (4.8%). (Gulf-Times.com)

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- **Mwani Qatar: Qatar ports witness doubled-digit growth in May** – Qatar's Hamad, Doha and Al Ruwais ports displayed robust performance in May this year as it witnessed doubled-digit growth in the number of ships calling on these ports and container handling, according to Mwani Qatar. There was also more than doubling of the building materials handled through these ports YoY in April 2021; indicating a robust outlook for the construction sector, as corroborated by the rising trends in building permissions issued in the recent months. The number of ships calling on Qatar's three ports stood at 304 in May 2021, which was 23.58% and 1.33% higher on yearly and monthly basis respectively. As many as 1,351 ships had called on the ports during the first five months of this year. Hamad Port's strategic geographical location offers opportunities to create cargo movement towards the upper Gulf, supporting countries such as Kuwait and Iraq and south towards Oman. As many as 139 vessels had called on this port in May this year. Qatar's share in the overall Middle East trade is expected to significantly increase with the robust technological infrastructure supporting the Hamad Port's second container terminal (CT2). The container handling through the three ports stood at 139,340 TEUs (twenty-foot equivalent units), which grew 25.67% and 1% YoY and MoM respectively in May 2021. The container handling stood at 688,438 TEUs in January-May this year. QTerminals had recently tweeted that Hamad Port handled container volume of more than 5mn TEUs since the start of operations. The Hamad Port, which is the largest eco-friendly project in the region and internationally recognized as one of the largest green ports in the world, alone saw 138,402 TEUs of containers handled in May 2021. The building materials handled amounted to 54,378 tons in May this year, which more than doubled YoY and was up 10.68% MoM in the review period. A total of 302,457 tons of building materials had been handled by these three ports during January-May 2021. (Gulf-Times.com)
- **QRDI Council leads 'Russia-Qatar Innovation Dialogue' at SPIEF** – The Qatar Research, Development, and Innovation (QRDI) Council hosted and led a panel at the Qatar Pavilion during the St Petersburg International Economic Forum (SPIEF), which saw over 20,000 attendees and close to 50 entities from Qatar as this year's guest nation at the event. (Gulf-Times.com)
- **QNTC committed to further bolstering tourism, investment ties with Russia SPIEF** – The Qatar National Tourism Council (QNTC) is part of the delegation representing Qatar at the St Petersburg International Economic Forum (SPIEF), it was announced. The QNTC will be part of the Qatar Pavilion, and will represent the tourism sector, promoting investment in new developments in the country. The 24th edition of SPIEF is taking place from June 2 to 5. As one of the largest investment focused events of its kind, it affords a platform whereby Qatar can

showcase the destination and investment opportunities therein. As Guest Country for SPIEF 21, Qatar is hosting the Qatar National Pavilion at the venue with one of the largest business delegations due to attend. A cultural program will complement the business agenda, offering visitors a taste of Qatar's offerings, as well as its heritage and culture. (Gulf-Times.com)

- **QDB participates in St Petersburg International Economic Forum** – Qatar Development Bank (QDB) participated Wednesday in the St Petersburg International Economic Forum, one of the world's most important economic forums. The bank aims to enhance cooperation between the State of Qatar and the Russian Federation, in addition to enhancing the status of small and medium enterprises, developing cooperation opportunities, and building future partnerships among other matters. The bank said in a statement that 16 Qatari exporting companies held talks with Russian companies. The statement also said that there were preliminary orders worth QR75mn that were made during the meetings, in addition to nine Qatari companies joining the virtual platform for projects in the attendance of Russian and international investors. The statement noted that the judges voted for Qatari company Else Lab (which is backed by Qatar Development Bank) as the best small and medium enterprise in one of the sessions. (Gulf-Times.com)
- **Foreign Minister inaugurates Qatar's pavilion at St. Petersburg International Economic Forum** – St. Petersburg: The Deputy Prime Minister and Minister of Foreign Affairs HE Sheikh Mohammed bin Abdulrahman Al Thani inaugurated Wednesday the State of Qatar's pavilion participating in the 24th St. Petersburg International Economic Forum, taking place from June 2-5 in the Russian Federation. The inauguration ceremony was attended by Minister of Transport and Communication HE Jassim bin Saif Al Sulaiti, Minister of Commerce and Industry and Acting Minister of Finance HE Ali bin Ahmed Al Kuwari, Minister of State for Energy Affairs HE Eng. Ali bin Sherida Al Kaabi. The Deputy Prime Minister said in a speech to mark the occasion that the State of Qatar's strong participation in the conference was a result of its understanding of the importance of bilateral cooperation with the Russian Federation, noting that it has seen marked development in recent years in the political, economic, commercial, investment, cultural, and sports field. His Excellency added that Qatar was confident in the strength of the Russian economy, and looks forward to strengthening cooperation and increasing bilateral trade volume. He said that the State of Qatar's delegation includes public and private institutions, in addition to Qatari companies that will be very active in holding meetings, events, and signing dozens of deals. His Excellency also said that there will be cultural events that involves traditional Qatari arts, which will help visitors get to know more about the Qatari people, expressing his delight at being present in the historic city of St. Petersburg. His Excellency added that he was present with a high-level delegation to the conference, which has become an important platform for enhancing commercial and economic ties between countries. (Peninsula Qatar)
- **Qatar Airways, Amadeus strengthen partnership** – Qatar Airways signed a Letter of Agreement, aiming to expand its partnership with Amadeus, embracing NDC solutions to enhance its retailing capabilities. This deal will make Qatar Airways' offer, including content via New Distribution Capability (NDC), available globally to travel agencies and corporations via the Amadeus Travel Platform. As a result the airline will improve its retailing capabilities, further deliver on its omni-channel distribution strategy and power its global reach in this next phase of travel. The airline is also looking to adopt Amadeus Altéa NDC from 2022 onward. This will further enhance its

retailing capabilities across channels consistently; distributing and servicing new, dynamic NDC-enabled content and fares. (Gulf-Times.com)

International

- **ILO: No recovery in global jobs market from pandemic until at least 2023** – At least 220mn people are expected to remain unemployed globally this year, well above pre-pandemic levels, with a weak labor market recovery exacerbating existing inequalities, the International Labor Organization (ILO) said. The United Nations agency forecast the outlook improving to 205mn unemployed next year - still well above the 187mn recorded in 2019 before the coronavirus crisis wreaked havoc. According to ILO models, that equates to a global unemployment rate of 6.3% this year, falling to 5.7% next year but still up on the pre-pandemic rate of 5.4% in 2019. "Employment growth will be insufficient to make up for the losses suffered until at least 2023," the ILO said in a report, World Employment and Social Outlook: Trends 2021. Stefan Kuehn, ILO economist and lead author of the report, told Reuters that the true impact on the labor market was even greater when reduced working hours imposed on many workers and other factors were accounted for. All told, it estimated that working hours losses in 2020 relative to 2019 amounted to the equivalent of 144mn full-time jobs in 2020, a shortfall that still stood at 127mn in the second quarter of this year. "Unemployment does not capture the impact on the labor market," Kuehn said, noting that whereas hiring in the US had resumed after massive job losses, many workers elsewhere, particularly in Europe, remained on reduced-hours schemes. Women, young people and the 2bn people working in informal sectors have been hardest hit, with 108mn more workers worldwide now categorized as poor or extremely poor compared to 2019, it said. "Five years of progress towards the eradication of working poverty have been undone," the report said. (Reuters)
- **US sets and suspends tariffs on six countries over digital taxes** – The US on Wednesday announced 25% tariffs on over \$2bn worth of imports from six countries over their digital services taxes, but immediately suspended the duties to allow time for international tax negotiations to continue. The US Trade Representative's (USTR) office said it had approved the threatened tariffs on goods from Britain, Italy, Spain, Turkey, India and Austria after a "Section 301" investigation concluded that their digital taxes discriminated against US companies. USTR published lists of imports from the six countries that would face tariffs if international tax negotiations fail to reach a solution that prohibits countries from imposing unilateral digital services taxes. USTR said it would impose 25% tariffs on about \$887mn worth of goods from Britain, including clothing, overcoats, footwear and cosmetics, and on about \$386mn worth of goods from Italy, including clothing, handbags and optical lenses. USTR said it would impose tariffs on goods worth \$323mn from Spain, \$310mn from Turkey, \$118mn from India and \$65mn from Austria. The potential tariffs, based on 2019 import data, aim to equal the amount of digital taxes that would be collected from US firms, a USTR official said. The move underscores the US threat of retaliation as finance leaders from G7 countries prepare to meet in London on Friday and Saturday to discuss the state of tax negotiations, including taxation of large technology companies and a US proposal for a global minimum corporate tax. US tariffs threatened against France over its digital tax were suspended in January to allow time for negotiations. US Trade Representative Katherine Tai said she was focused on "finding a multilateral solution" to digital taxes and other international tax issues and was committed to reaching a consensus through the OECD and G20 negotiations. (Reuters)
- **Fed: Amid hiring troubles, rising prices, US growth gains speed** – The US economic recovery accelerated in recent weeks even as a long list of supply chain troubles, hiring difficulties, and rising prices cascaded through the country, Federal Reserve officials said in their latest review of economic conditions. The economy grew at a "somewhat faster rate" from early to late May, the Fed reported in its Beige Book summary of anecdotal reports about the economy on Wednesday, with officials noting "the positive effects...of increased vaccination rates and relaxed social distancing measures." But getting a \$20tn economy back to speed posed challenges of its own, Fed officials reported based on contacts in their 12 regions. Homebuilders could not keep up with demand, manufacturers faced delivery delays of the material needed to finish goods, and "it remained difficult for many firms to hire new workers, especially low-wage hourly workers, truck drivers, and skilled tradespeople." Prices were rising, and for now were likely to continue to do so, the Fed reported. "Looking forward, contacts anticipate facing cost increases and charging higher prices in coming months," the Fed said. The Beige Book will help frame the Fed's upcoming June meeting as officials edge towards a debate about how and when to pull back on the \$120bn in monthly bond purchases and raise the near-zero interest rates put in place to battle the economic fallout from the pandemic. Fed officials say they will likely struggle for several months to get a clear read on an economy snapping back to life but hitting some speed bumps along the way. The US this year is expected to register the strongest annual growth in gross domestic product since the early 1980s, yet hiring in April was tepid, a May jobs report to be released on Friday may not be much better, and there are concerns inflation may be on the horizon. Businesses on the whole seemed stretched thin by surging demand for their goods and services, while consumers appeared ready to splurge. (Reuters)
- **UK gets green light to start talks on joining pacific trade deal** – Member nations of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) agreed to allow Britain to start the process of joining the pact, Japan's economy minister said. The decision marks another step in Britain's efforts to pivot away from Europe, build global influence and form new trading links with faster growing economies following its exit from the European Union at the end of 2020. Japanese Economy Minister Yasutoshi Nishimura told reporters he welcomed the start of Britain's joining process after hosting an online meeting of ministers from the 11 countries that make up the trans-Pacific trade pact. "The UK's potential membership would support the mutual interests, common values and commitment to upholding the rules-based trading system shared by the members of the CPTPP," the 11 member countries said in a statement. "It would also promote market-oriented principles and help to counter protectionism and the use of unjustified trade restrictive measures." Membership is seen by British ministers as one of several ways of building influence in the region to help promote free trade and act as a counterweight to China - which it accuses of undermining trade and distorting markets with state subsidies. The CPTPP removes 95% of tariffs between its members: Japan, Canada, Australia, Vietnam, New Zealand, Singapore, Mexico, Peru, Brunei, Chile and Malaysia. Unlike the EU, it does not aim to create a single market or a customs union, and it does not seek wider political integration. (Reuters)
- **UK mortgage lending slumps in April over stamp duty uncertainty** – British mortgage lending slumped in April as a government decision to prolong a tax break on property sales came too late to influence buyers that month, but housing market activity looks on course to rebound, Bank of England

data showed. Net mortgage lending by British lenders slumped in April to 3.3bn Pounds (\$4.7bn) from a record 11.5 bn pounds the month before, an even sharper drop than the fall to 6.6bn Pounds forecast by economists in a Reuters poll. "The recent variability is likely to reflect the reduction in the stamp duty tax, which was initially expected to end in March, but has now been extended to the end of June," the BoE said. Sunak announced he would extend the tax break in his March 3 budget. But many buyers were already rushing through transactions to complete them before the earlier deadline. The cut in stamp duty land tax began in July last year to spur housing transactions after a slump at the start of the pandemic. House prices have boomed since then, despite the economic damage wrought on other sectors by the COVID pandemic, with prices in May up 10.9% on a year ago according to lender Nationwide, the biggest jump since 2014. Another key factor pushing up prices has been greater demand for spacious housing outside city centers from people who are now able to work from home. Mortgage approvals - which adjusted faster than lending to the tax change - rose to 86,921 in April from 83,402 in March, though they are below November's high of more than 103,000. Households continued to pay down personal debt, largely reflecting reduced spending opportunities during the lockdown, which was still largely in place in April. Net repayments totaled 377mn Pounds, well below economists' average forecast for a net 500mn Pounds in new borrowing. April's net consumer lending was 5.7% below its year-ago level, compared with an 8.8% shortfall in March. (Reuters)

- **Scholz says Germany backs central banks' view that inflation jump is temporary** – Germany is monitoring a recent rise in inflation closely but the government shares the assessment of central banks that the jump in consumer prices is largely driven by temporary factors, Finance Minister Olaf Scholz told Reuters on Wednesday. Asked if the jump in inflation and the European Central Bank's ultra-loose monetary policy could become a problem for Germany, Scholz said: "We're always looking closely at this. But so far, there is much to suggest that the assessment of the central banks is correct." "We can now also hope for a decent upswing in the economy, where we are gradually leaving the pandemic behind us," Scholz added. "It will also be possible for us to do even better than we can currently forecast." Economy Minister Peter Altmaier said on Tuesday the German economy, Europe's largest, should grow by between 3.4% and 3.7% this year, offering a more upbeat outlook than when the government raised its forecast at the end of April. The recovery is bringing with it concerns about inflation. Germany's annual consumer price inflation accelerated in May, advancing further above the ECB's target of close to but below 2%, the Federal Statistics Office said on Monday. Bavaria's finance minister, Albert Fieracker, told daily Bild in comments published on Wednesday that higher inflation is compounding the plight of savers and the European Central Bank should respond by raising its interest rates from 0%. "Germany is a country of savers. The ECB's longstanding zero interest rate policy is poison for typical savers plans," Fieracker, a member of Bavaria's conservative Christian Social Union (CSU), told the mass-selling daily newspaper. "In combination with the now rising inflation, the expropriation for savers is becoming more and more noticeable. Bavaria has been warning for years that the zero interest rate policy must be ended - now it is high time," he said. Conservative Germans have long complained that the ECB's 0% interest rates hurt savers as they are left with little if any gain - a problem compounded by rising inflation eroding the value of their nest eggs. Monday's price figures for May showed a national measure of inflation rose to 2.5%, the highest level since 2011. (Reuters)

- **IMF sees Greek economy growing 3.3% in 2021, boosted by EU funds, tourism** – The Greek economy should grow by 3.3% this year and 5.4% in 2022, fueled by European recovery fund investment, pent-up consumer demand and an expected return of tourism, International Monetary Fund officials said. The forecasts, issued following a regular IMF staff visit to Greece, represent a slight cut in the fund's previous 3.8% forecast for 2021 issued in April but an increase in the previous 5% forecast for next year. The estimates, which follow an 8.2% contraction in Greek GDP in 2020, are slightly below Greece's own forecasts for 3.6% growth this year and 6.2% growth in 2022. The IMF officials praised Greece's "swift and proactive" response to the COVID crisis, which saw the government spend 24 billion euros last year and earmark a further 11.6 billion euros this year to support businesses and jobs hit by the pandemic. But it said the outlook was clouded by uncertainties and much would depend on factors including how the pandemic developed and its impact on banks' bad debt holdings as well as how successfully EU funds were absorbed. Greece, which emerged from its third bailout in a decade in 2018, is due to receive 32bn Euros in grants and cheap loans from the EU's recovery fund. It expects a steady resumption of its vital tourism industry with arrivals this year at 50% above the levels in 2020 when demand collapsed. (Reuters)
- **PMI: Japan's service sector shrinks for 16th month as health crisis hits demand** – Japan's services sector activity contracted for the 16th consecutive month in May as an extension of coronavirus emergency curbs at home and stricter restrictions in key Asian markets due to a resurgence of COVID-19 cases hit demand. The decline in the services industry dragged overall private-sector activity into contraction, and suggested measures to halt a rise in coronavirus infections were hampering the country's economic recovery. The final au Jibun Bank Japan Services Purchasing Managers' Index (PMI) slumped to a seasonally adjusted 46.5, down three points from the prior month's final level of 49.5, but up from a flash reading of 45.7. It meant services activity has come in below the 50.0 threshold that separates contraction from expansion every month since February last year. The latest results back a sister PMI survey on manufacturing released earlier this week that also pointed to a slowing in factory activity due to emergency virus curbs. Thursday's survey showed firms saw faster contractions in outstanding and new export business last month, highlighting strain they have been feeling from lacklustre demand. (Reuters)
- **Caixin PMI: China's services activity growth slows in May** – China's services sector expansion slowed in May, a private sector survey showed on Thursday, with weaker overseas demand and increased costs putting pressure on businesses. The Caixin/Markit services Purchasing Managers' Index (PMI) fell to 55.1 in May, down from 56.3 in April but still well in expansionary territory. The 50-mark separates growth from contraction on a monthly basis. The survey attributed part of the slowing expansion to a fall in overseas demand as COVID cases abroad hurt business activity. A gauge of export orders slipped into contraction. The Caixin PMI contrasts with an official survey released earlier this week, which showed activity in China's services sector expanded at a faster pace in May. Though slower to recover from the epidemic than manufacturing, a gradual improvement in consumption has stimulated activity in China's services sector, which includes many smaller and private companies. Growth in total new orders slipped and services firms increased their staffing levels for the third straight month, but at a slower pace, the Caixin survey showed. Inflation pressures worsened with input costs rising at a sharper rate in May and reports of more expensive raw

materials, energy, staff and transport, the survey found. Even though firms were able to raise selling prices for the 10th straight month, the increases have yet to catch up with the inflation in input costs. (Reuters)

- **Russian inflation to speed up in coming months, cenbank analysts say** – Russia's consumer inflation accelerated again in May and is on track to speed up further in the coming months, central bank analysts said in a report, days before the bank's rate-setting meeting. Inflation in Russia has been on the rise since early 2020, boosted by a weaker Rouble and globally higher food prices as well as the central bank's decision to cut the key rate to a record low of 4.25% in the face of the COVID-19 crisis. "Inflation in May has returned on the upward trend, which may remain in place by autumn," the central bank said in a report on trends. Annual inflation likely reached 5.7%-5.9% in May, after slowing to 5.5% in April, staying far above the 4% target that it will reach only in the middle of 2022, the central bank analysts said. Inflationary pressure will also remain elevated in the coming months, including in the consumer sector, the analysts said. High inflation has prompted the central bank to raise rates twice this year, last to 5% in April, making lending more expensive. It is widely expected to hike the key rate to 5.25% next week, a Reuters poll of analysts showed. "The current monetary conditions still support an active growth in banks' lending in all segments," the central bank analysts said. They also said the Russian economy was likely to recover to pre-pandemic levels in mid-2021 after its sharpest contraction in 11 years in 2020, echoing an economy ministry forecast. (Reuters)

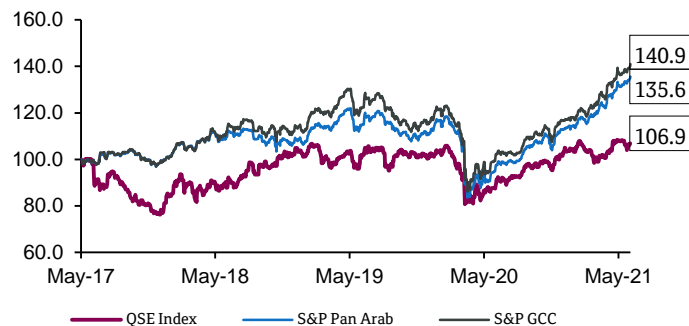
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- **Saudi Aramco lines up banks for bond sale** – Saudi Aramco has lined up banks to help it arrange a sale of US dollar-denominated bonds, sources said, seeking to raise money ahead of large commitments for its major shareholder, the Saudi government. Aramco was widely expected to become a regular bond issuer after its debut \$12bn bond deal in 2019 was followed by an \$8bn, five-part transaction in November last year. A large group of banks has been hired for the deal, including First Abu Dhabi Bank (FAB), HSBC, NCB Capital and Standard Chartered, one of the sources said. The energy giant is expected to raise up to \$5bn and the deal, which would be through Sukuk, or Islamic bonds, is expected in the next few weeks. "There has not been that many dollar sukuk that have been issued of late, so there is clearly demand there," the source said. (Reuters)
- **Almarai buys Bingham Beverages production facility in UAE** – The Saudi food and beverage firm, Almarai has signed pact with Bingham Beverages Manufacturing to buy BBM production facility for AED215mn. The transaction is fully financed from Almarai's operating cash flows. (Bloomberg)
- **Saudi Tadawul market resumes after early halt due to technical glitch** – The trading system of Saudi Arabia's Tadawul securities market resumed operations on Wednesday after trading was suspended in the morning for less than an hour due to a technical glitch, the exchange said. The Saudi Exchange said "the technical issue has been resolved and trading services are now functioning normally." (Reuters)
- **Emaar Properties hires banks for dollar Sukuk sale** – Dubai real estate company Emaar Properties has hired banks for issuance of US dollar-denominated Islamic bonds, or Sukuk, as soon as next week, two sources close to the matter said without disclosing how much it aims to raise. The builder of the world's tallest building, Dubai's Burj Khalifa, last issued international bonds in 2019, raising \$500mn via Sukuk. S&P downgraded Emaar to a BB+ "junk" rating last July as the real estate and retail sectors were slammed by the COVID-19 pandemic and related restrictions. The 10-year Sukuk issued in 2019 at a rate of 3.875%. (Reuters)
- **SoftBank tech fund in talks to invest in Dubai cloud kitchen Kitopi** – SoftBank Group Corp is in talks to invest in Dubai "cloud kitchen" Kitopi's latest funding round through its second technology fund, sources familiar with the matter said. The Japanese company's Vision Fund 2 has put forward a proposal to lead an investment of about \$400mn in Kitopi, said the sources, who declined to be named as the matter is not public. So-called cloud kitchens are facilities built to prepare food specifically for delivery and they have benefited from the shift to online services during the coronavirus crisis. These "dark", "cloud" or "ghost" kitchens have no physical presence as a restaurant and offer delivery-only services from a centralised location through a mobile app. Kitopi, which is headquartered in Dubai, operates more than 60 kitchens and has more than 1500 employees. (Reuters)
- **Mubadala hires banks for Yahsat's IPO** – Abu Dhabi state investor Mubadala has hired banks for the planned initial public offering of Al Yah Satellite Communications Company (Yahsat) which could raise over \$500mn, three sources said. Bank of America, First Abu Dhabi Bank and Morgan Stanley will act as global coordinators for the deal, while EFG Hermes, HSBC and Abu Dhabi Commercial Bank will have bookrunner roles, they said. Yahsat has five satellites that serve more than 150 countries, information on its website shows. It also owns satellite phone operator Thuraya. Yahsat is among the three portfolio companies that Mubadala is pushing to go public this year, the sources said. It is close to making a decision on the listing of Emirates Global Aluminium, which is owned by Mubadala and Investment Corp of Dubai. It is also looking at a potential listing of Santa Clara-based semiconductor producer Globalfoundries later in the year, sources said. (Reuters)
- **ADQ said to eye stake in top Egyptian dairy firm** – ADQ is considering acquiring a stake in Juhayna Food Industries as the Abu Dhabi sovereign wealth fund pursues more deals in Egypt, according to sources. Abu Dhabi's newest state fund has been weighing a potential investment in Egypt's largest dairy and juice producer, sources said. Deliberations are in the early stages and there is no certainty ADQ will proceed with any transaction, sources said. ADQ has been among the most active Middle East investors since its inception in 2018 and has been looking beyond the UAE for deals. Egypt has been a region of focus, with ADQ committing to invest \$10bn alongside the country's sovereign wealth fund. Last year, ADQ agreed to partner with LuLu Group International, which runs one of the Middle East's largest hypermarket chains, by investing \$1bn to back the grocer's expansion in Egypt. And in March, it bought an Egyptian pharmaceuticals company from Bausch Health Cos. for \$740mn. Founded in 1983 by Safwan Thabet, Juhayna manufactures more than 200 products and employs over 4,000 people, according to its website. Its share price has taken a hit since late 2020 after authorities detained Thabet and then his son, Seifeldin Thabet, who is Chief Executive Officer and Deputy Chairman. (Bloomberg)
- **Masdar wins Uzbek Sherabad solar power plant tender** – Abu Dhabi Future Energy Company, also known as Masdar, has won the tender to build a 457-megawatt photovoltaic solar power plant in the Sherabad district of Uzbekistan's Surkhandarya province, the Central Asian nation's energy ministry said on Wednesday. Masdar made the lowest bid of \$0.018045/kWh on the Sherabad solar tender, placing it well ahead of four other competitors. The project is part of a wider program to construct solar plants with total capacity of 1 gigawatt, backed by the Asian Development Bank. (Reuters)

- Sharjah approves 100% foreign ownership of commercial, industrial companies** – The Sharjah Economic Development Department (SEDD) announced that, starting June 2021, it would be implementing the full foreign ownership policy, allowing investors of natural and legal persons to own 100% of commercial and industrial companies and practice activities in the Emirate of Sharjah. This decision includes no requirements such as a specific capital or any additional fees for foreign investors, while allowing branches of foreign companies to conduct their business in the Emirate without the need for an agent of a foreign company. This came in accordance with the decision issued by the department regarding the activities available for foreign ownership, based on the federal and local laws and previous decisions in this regard, especially Federal Decree Law No. (26) of 2020 regarding the amendment of the provisions of Federal Law No. (2) of 2015 regarding the Commercial Companies Law by adding articles that allow foreigners to establish companies and own them fully. (Zawya)
- IHC unit adds resort, facilities company to Murban Deal** – IHC unit Alpha Dhabi Holding has bought further assets from closely held Murban, including the Cheval Blanc Randheli resort in Maldives and Etihad International Hospitality, a facility management company. It brings value of assets acquired by Alpha Dhabi from Murban to AED2.5bn, from a previously announced AED1.7bn. (Bloomberg)
- Oman says expat workforce fell by 200,000 in year to March** – More than 200,000 foreign workers left Oman between March 2020 and March this year, the ministry of finance said on Wednesday, a week after protests over unemployment erupted in several cities of the Gulf state. The population in the oil-rich Gulf region declined by about 4% last year amid an exodus of expatriates due to the coronavirus pandemic and lower oil prices, S&P has estimated. This was partly caused by the economic downturn, and partly to workforce nationalization policies which gained traction after the coronavirus outbreak. Early in the pandemic, Oman - where youth unemployment is now over 10% - ordered state firms to replace foreign employees with nationals to ease pressure on the job market. "Expatriates employed in the government sector fell from 53,332 to 49,898. While expatriates employed in the private sector dropped from 1,608,781 to 1,403,287," said the ministry in a statement. Oman's Ruler, Sultan Haitham promised last week, on a third day of rare demonstrations in several towns and cities, to create 32,000 jobs and subsidize private companies that take on Omanis, despite pledged cuts in public spending as part of an austerity plan. (Reuters)
- Investcorp to delist from Bahrain Bourse** – Investcorp plans to delist from the Bahrain Bourse and convert to a closed shareholding company as a part of its long-term strategy. The global provider and manager of alternative investment products said in a statement Wednesday that delisting and becoming a private company "is the most appropriate ownership structure at this stage." Investcorp, which manages \$35.4bn of assets and counts Abu Dhabi sovereign wealth fund Mubadala Development Co. as a major investor, said its shareholders have green-signaled the board's proposal and the conversion is expected to be to complete during the third quarter of 2021. "Delisting and becoming a private company is the most appropriate ownership structure at this stage in the continuing journey of Investcorp," Executive Chairman, Mohammed Alardhi said. Since its inception four decades ago, Investcorp has made approximately 200 private equity investments in the US, Europe, the Middle East and North Africa region and Asia, across a range of sectors. (Zawya)
- S&P revises Batelco outlook to Negative; affirms 'B+/B' ratings** – S&P has revised Batelco outlook to Negative; affirms

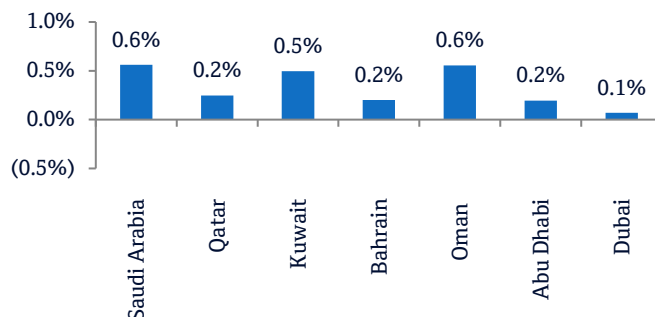
'B+/B' ratings. The outlook revision follows a similar action on Bahrain (B+/Negative/B) on May 28. The Negative outlook indicates S&P could lower the ratings if it takes a similar rating action on Bahrain. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,908.38	0.4	0.2	0.5
Silver/Ounce	28.17	1.0	0.8	6.7
Crude Oil (Brent)/Barrel (FM Future)	71.35	1.6	2.5	37.7
Crude Oil (WTI)/Barrel (FM Future)	68.83	1.6	3.8	41.9
Natural Gas (Henry Hub)/MMBtu	3.04	3.1	7.0	27.2
LPG Propane (Arab Gulf)/Ton	91.75	0.3	3.1	21.9
LPG Butane (Arab Gulf)/Ton	96.75	0.5	3.5	39.2
Euro	1.22	(0.0)	0.2	(0.0)
Yen	109.56	0.1	(0.3)	6.1
GBP	1.42	0.1	(0.1)	3.7
CHF	1.11	(0.1)	0.2	(1.5)
AUD	0.78	0.0	0.5	0.8
USD Index	89.91	0.1	(0.1)	(0.0)
RUB	73.14	(0.5)	(0.1)	(1.7)
BRL	0.20	1.5	2.9	2.3

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,985.97	0.1	0.2	11.0
DJ Industrial	34,600.38	0.1	0.2	13.0
S&P 500	4,208.12	0.1	0.1	12.0
NASDAQ 100	13,756.33	0.1	0.1	6.7
STOXX 600	451.34	0.1	0.6	13.0
DAX	15,602.71	0.1	0.6	13.0
FTSE 100	7,108.00	0.5	1.1	14.2
CAC 40	6,521.52	0.3	0.7	17.4
Nikkei	28,946.14	0.3	(0.6)	(0.7)
MSCI EM	1,388.47	(0.2)	2.0	7.5
SHANGHAI SE Composite	3,597.14	(0.8)	(0.3)	5.9
HANG SENG	29,297.62	(0.6)	0.6	7.5
BSE SENSEX	51,849.48	(0.3)	0.1	8.7
Bovespa	129,601.40	2.5	6.1	10.7
RTS	1,643.66	1.8	2.5	18.5

Source: Bloomberg (*\$ adjusted returns)

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