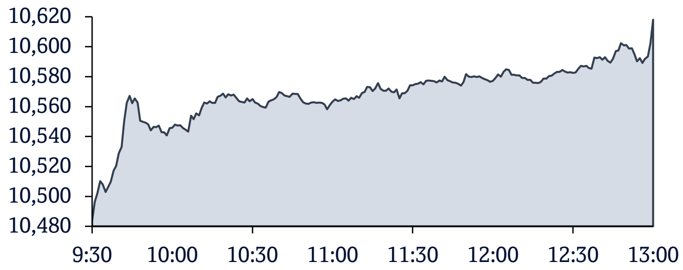
QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 1.3% to close at 10,618.0. Gains were led by the Transportation and Telecoms indices, gaining 2.7% and 2.0%, respectively. Top gainers were Dlala Brokerage & Inv. Holding Co. and Qatar Gas Transport Company Ltd., rising 4.2% and 3.4%, respectively. Among the top losers, QNB Group fell 0.5%, while Qatar Islamic Insurance Company was down 0.3%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.2% to close at 10,832.4. Losses were led by the Health Care Equipment & Svc and Pharma, Biotech & Life Science indices, falling 1.2% and 0.7%, respectively. United Carton Industries Co. declined 4.0%, while SHL Finance Co. was down 3.5%.

Dubai The DFM Index gained 0.7% to close at 5,521.8. The Communication Services index rose 3.2%, while the Materials index gained 2.8%. Amlak Finance rose 14.3%, while Al Mazaya Holding Company was up 14%.

Abu Dhabi: The ADX General Index gained 0.5% to close at 9,691.5. The Consumer Discretionary index rose 0.9%, while the Industrial index gained 0.8%. E7 Group PJSC Warrants rose 14.5%, while RAPCO Investment was up 13.5%.

Kuwait: The Kuwait All Share Index fell 0.4% to close at 8,114.9. The Insurance and Consumer Services indices declined 2.2% each. Tamdeen Investment Co. declined 10.8%, while Warba Bank was down 5.3%.

Oman: The MSM 30 Index fell 0.4% to close at 4,553.2. Losses were led by the Financial and Industrial indices, falling 0.8% and 0.5%, respectively. Al Maha Petroleum Products Marketing Co. declined 7.4%, while Takaful Oman was down 6.1%.

Bahrain: The BHB Index gained marginally to close at 1,921.1. The Consumer Discretionary index rose 1.0% while the Financials index was up 0.1%. United Gulf Investment Corporation rose 8.8%, while Bahrain Car Parks Company (Amakin) was up 7.1%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Dlala Brokerage & Inv. Holding Co.	1.103	4.2	4,063.1	(4.0)
Qatar Gas Transport Company Ltd.	4.900	3.4	3,424.7	18.1
Widam Food Company	2.250	3.3	4,321.8	(4.2)
Gulf International Services	3.272	3.2	6,761.2	(1.7)
Vodafone Qatar	2.431	2.8	1,911.1	32.8

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	1.009	0.3	20,090.4	(4.5)
Qatari German Co for Med. Devices	1.473	1.9	18,332.0	7.5
Mesaieed Petrochemical Holding	1.334	0.7	15,608.4	(10.8)
Masraf Al Rayan	2.267	1.1	12,322.2	(8.0)
Mazaya Qatar Real Estate Dev.	0.611	0.3	11,387.5	4.6

Market Indicators	03 Jun 25	02 Jun 25	%Chg.
Value Traded (QR mn)	439.3	380.1	15.6
Exch. Market Cap. (QR mn)	626,293.4	620,602.3	0.9
Volume (mn)	184.2	144.6	27.4
Number of Transactions	22,265	27,706	(19.6)
Companies Traded	51	52	(1.9)
Market Breadth	42:5	18:28	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	25,048.91	1.3	1.5	3.9	11.8
All Share Index	3,918.99	1.0	1.2	3.8	12.0
Banks	4,879.29	0.5	1.2	3.0	10.5
Industrials	4,233.47	1.8	1.5	(0.3)	16.1
Transportation	5,781.64	2.7	2.4	11.9	13.5
Real Estate	1,622.86	0.8	(2.4)	0.4	19.4
Insurance	2,344.74	0.0	(0.9)	(0.2)	12.0
Telecoms	2,178.56	2.0	2.8	21.1	13.7
Consumer Goods and Services	7,965.68	0.6	(0.4)	3.9	20.0
Al Rayan Islamic Index	5,058.04	1.4	1.6	3.9	13.8

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Research & Media	Saudi Arabia	150.40	5.9	176.8	(45.3)
Bupa Arabia for Coop. Ins.	Saudi Arabia	171.00	4.4	210.5	(17.4)
Co. for Cooperative Ins.	Saudi Arabia	142.20	3.6	418.5	(3.7)
Qatar Gas Transport Co. Ltd	Qatar	4.90	3.4	3,424.7	18.1
Emirates Integrated Telecom.	Dubai	9.36	3.2	1,141.2	25.0

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bank Dhofar	Oman	0.14	(2.8)	23.1	(8.3)
Gulf Bank	Kuwait	343.00	(2.6)	11,652.4	10.5
Bank Muscat	Oman	0.27	(2.5)	3,888.5	7.9
Jabal Omar Dev. Co.	Saudi Arabia	21.08	(2.2)	4,244.7	2.5
Dr. Sulaiman Al Habib Medical Services Group Co	Saudi Arabia	258.00	(1.7)	285.3	(8.0)

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%
QNB Group	17.05	(0.5)	1,705.1	(1.4)
Qatar Islamic Insurance Company	8.729	(0.3)	49.9	0.6
Qatari Investors Group	1.490	(0.1)	3,140.3	(3.1)
Meeza QSTP	3.032	(0.0)	538.7	(7.4)
Ahli Bank	3.605	(0.0)	13.2	4.5

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Industries Qatar	12.15	2.5	30,857.5	(8.4)
QNB Group	17.05	(0.5)	29,121.2	(1.4)
Masraf Al Rayan	2.267	1.1	27,796.2	(8.0)
Qatari German Co for Med. Devices	1.473	1.9	27,268.8	7.5
Qatar Islamic Bank	21.90	1.8	24,562.7	2.5

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,618.02	1.3	1.5	1.5	0.4	120.57	171,729.7	11.8	1.3	4.6
Dubai	5,521.85	0.7	0.5	0.8	7.0	170.45	264,847.0	9.6	1.6	5.4
Abu Dhabi	9,691.49	0.5	(0.6)	0.1	2.9	404.57	750,028.6	18.3	2.5	2.4
Saudi Arabia	10,832.43	(0.2)	(1.4)	(1.4)	(10.0)	948.40	2,429,779.4	16.7	2.0	4.3
Kuwait	8,114.85	(0.4)	0.0	0.0	10.2	330.46	157,812.4	19.6	1.4	3.3
Oman	4,553.15	(0.4)	(0.2)	(0.2)	(0.5)	24.70	32,986.4	8.1	0.9	6.0
Bahrain	1,921.11	0.0	0.0	0.0	(3.3)	0.9	19,804.2	13.0	1.4	9.9

*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 1.3% to close at 10,618.0. The Transportation and Telecoms indices led the gains. The index rose on the back of buying support from GCC and Foreign shareholders despite selling pressure from Qatari and Arab shareholders.
- Dlala Brokerage & Inv. Holding Co. and Qatar Gas Transport Company Ltd. were the top gainers, rising 4.2% and 3.4%, respectively. Among the top losers, QNB Group fell 0.5%, while Qatar Islamic Insurance Company was down 0.3%.
- Volume of shares traded on Tuesday rose by 27.4% to 184.2mn from 144.6mn on Monday. However, as compared to the 30-day moving average of 204.0mn, volume for the day was 9.7% lower. Ezdan Holding Group and Qatari German Co for Med. Devices were the most active stocks, contributing 10.9% and 9.9% to the total volume, respectively.

Overall Activity	Buy%*	Sell%*	Net (QR)
Qatari Individuals	24.91%	32.60%	(33,751,300.65)
Qatari Institutions	29.91%	26.38%	15,532,239.12
Qatari	**54.83%**	**58.97%**	**(18,219,061.53)**
GCC Individuals	1.68%	1.45%	985,765.49
GCC Institutions	2.17%	0.62%	6,826,968.78
GCC	**3.85%**	**2.07%**	**7,812,734.27**
Arab Individuals	11.96%	12.91%	(4,158,134.20)
Arab Institutions	0.07%	0.00%	315,000.00
Arab	**12.03%**	**12.91%**	**(3,843,134.20)**
Foreigners Individuals	3.35%	2.98%	1,640,015.84
Foreigners Institutions	25.94%	23.07%	12,609,445.62
Foreigners	**29.29%**	**26.05%**	**14,249,461.46**

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

Global Economic Data

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06-03	US	Bureau of Labor Statistics	JOLTS Job Openings	Apr	7391k	7100k	7200k
06-03	EU	Eurostat	CPI Estimate YoY	May	1.90%	2.00%	NA
06-03	EU	Eurostat	CPI MoM	May	0.00%	0.00%	NA
06-03	EU	Eurostat	CPI Core YoY	May	2.30%	2.40%	NA
06-03	EU	Eurostat	Unemployment Rate	Apr	6.20%	6.20%	6.30%
06-03	China	Markit	Caixin China PMI Mfg	May	48.30	50.70	NA

Qatar

- **State Budget records QR0.5bn deficit in Q1-2025 -** The State of Qatar's general budget posted a deficit of QR0.5bn during Q1-2025, the Ministry of Finance (MoF) announced yesterday. In a statement published on its account on the social media platform X, the MoF highlighted that the deficit was covered through debt instruments, according to the actual data for Qatar's budget performance in Q1-2025. The total revenues for Q1-2025 stood at approximately QR49.4bn, reflecting a 7.5% decrease compared to Q1-2024 (See Table). These revenues comprised QR42.5bn in oil and gas revenues and QR6.9bn in non-oil revenues. The statement further noted that total public expenditure during Q1-2025 amounted to roughly QR49.9bn, registering a 2.8% decline compared to Q1-2024. The expenditure was allocated as: QR16.9bn for salaries and wages, QR18.5bn for current expenditures, QR13.1bn for major capital expenditures, and QR1.2bn for minor capital expenditures. The statement highlighted that the total value of government procurement contracts executed through tenders and auctions by public entities during Q1-2025 amounted to approximately QR6.4bn. Contracts awarded to foreign companies totaled around QR1.5bn, marking a 50% increase compared to Q1-2024. Overall, the MoF stated that the top four sectors according to the Business Activity Index during Q1-2025 were municipality and environment, health, energy, and the General Secretariat of the Council of Ministers.

(QR Billion)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	YoY	QoQ
Oil and Gas Revenue	47.3	41.1	42.3	42.1	42.5	-10.3%	0.8%
Non-Oil and Gas Revenue	6.1	18.8	8.9	6.6	7.0	13.9%	5.3%
Total Revenue	**53.4**	**59.9**	**51.3**	**48.7**	**49.4**	**-7.5%**	**1.4%**
Salaries and Wages	16.4	16.6	16.8	17.7	16.9	3.3%	-4.3%
Other Current Expenditures	18.9	21.3	18.3	18.5	18.5	-1.6%	0.2%
Minor Capex	1.5	1.3	2.0	1.3	1.2	-17.3%	-7.5%
Major Capex	14.7	18.2	14.2	10.2	13.2	-10.2%	28.4%
Total Expenditures	**51.4**	**57.3**	**51.2**	**47.8**	**49.9**	**-2.8%**	**4.4%**
Surplus	**2.0**	**2.6**	**0.1**	**0.9**	**-0.5**	**-**	**-**

(MoF, Gulf Times and QNBFS Research)

- **Qatar Stock Exchange announces Eid al-Adha holiday -** Qatar Stock Exchange announces that, on the occasion of the upcoming Eid al-Adha holiday, may God bring it back upon us, you, and the entire Islamic nation with goodness, prosperity, and blessings, it has been decided that the Eid al-Adha holiday for the exchange will begin on 05/06/2025, and will continue until 09/06/2025. Official working hours will resume on 10/06/2025, in accordance with the circular issued by the Qatar Central Bank and the directives of the Qatar Financial Markets Authority. Wishing you all a blessed year. (QSE)
- **Qatar Islamic Bank Successfully Issues $750mn Sukuk -** Qatar Islamic Bank ("QIB"), rated A1 by Moody's and A by Fitch, successfully issued a $750mn Sukuk with a profit rate of 4.803% and tenor of 5 years. The profit rate was equivalent to a credit spread of 80 basis points over the US Treasury Rate, which was well inside QIB's fair value and lower than secondary market spreads of all Qatari banks, reflecting the positive perception of international investors around QIB's credit quality. Moreover, QIB's profit rate was the lowest achieved by a GCC bank for a senior unsecured 5 year issuance in 2025. QIB announced its intention to issue a Sukuk on Monday morning and conducted calls throughout the day with European, Asian and Middle Eastern accounts. Initial investor feedback was encouraging and allowed QIB to open the order book on Tuesday morning. The order book quickly grew to peak at $1.7bn, representing an oversubscription rate of 2.3 times, one of the highest levels of demand seen for Sukuk issuances. The robust order book enabled QIB to confidently tighten the pricing by 35-40 basis points from Initial Price Thoughts in one iteration to 80 basis points over the US Treasury Rate. Investor diversity was broad and comprised of banks, private banks, fund managers and agencies from all over the world. Acting as Joint Lead Managers and Book runners were Abu Dhabi Islamic Bank, Bank ABC, Dubai Islamic Bank, Dukhan Bank, Emirates NBD Capital, HSBC, KFH Capital, Mashreq, QNB Capital, QInvest, SMBC, Standard Chartered Bank and The Islamic Corporation for the Development of the Private Sector Mr. Bassel Gamal, QIB's Group Chief Executive Officer, commented "QIB is proud of another successful transaction in the international capital markets, where it has built a reputable name and large investor base from around the globe. The strong demand for our Sukuk underscores the faith investors have in robust economic position of the State of Qatar's and strong financial fundamentals of QIB." (QSE)

- **QFMA is developing electronic system to monitor capital adequacy of companies -** The Qatar Financial Market Authority (QFMA) is developing an electronic system to monitor the capital adequacy of companies and launching a new electronic trading surveillance system as part of its future projects and plans. “The QFMA is constantly updating its existing plans and developing new ones in order to keep pace with all developments in the field of its business and activities. It also follows up and implement its own projects to meet its needs and contribute to achieving its strategic objectives,” the financial market regulator said in its 2024 annual report released yesterday. On developing an electronic system to monitor the capital adequacy of companies, the report said it was subject to the QFMA’s jurisdiction, with the aim of facilitating the mechanism and procedures for verifying companies’ compliance with capital adequacy standards in an accurate electronic manner. The financial services companies inspection and surveillance section and financial markets and depositories inspection and surveillance section receive the necessary reports from the companies subject to the QFMA’s jurisdiction, based on the legal regulations and legislation, including capital adequacy reports, compliance reports, and returned commission reports. These reports are requested either periodically (annually or weekly) or upon occurrence, and the inspection team takes the necessary action and prepares the reports. The QFMA is also developing an electronic system to receive the reports required under the law, regulations, rules and decisions issued thereto, with the aim of enhancing the mechanism and procedures for documentary surveillance and office supervision, in an accurate electronic manner. Launching a new electronic trading surveillance system, the annual report said, was to enhance surveillance over persons subject to the QFMA’s jurisdiction and capital market employees; enhancing and develop automatically reports on market performance; and enhance the analysis of trading data by developing electronic technical reports. The QFMA is preparing a draft to update the rules governing the work of external auditors and financial evaluators of listed entities and entities subject to the QFMA jurisdiction, in co-ordination with the relevant internal and external parties, to facilitate procedures, and work on automating the system of external auditors and financial evaluators and reflecting the legislation and registration on the website. The QFMA is also developing an electronic platform that connects the QFMA with all entities subject to its jurisdiction, which contains a number of functions and data required by entities, such as periodic reports, instant notifications, public consultations, and assessment of the listed companies’ compliance with the corporate governance code. The QFMA-Connect Platform will also contain all electronic services, the inspection system, the anti-money laundering and combating the financing of terrorism (AML/CFT) assistance system, and the automation of the judicial cycle at the QFMA. (Gulf Times)
- **QFMA issues 2024 annual report -** Qatar Financial Markets Authority (QFMA) yesterday announced the issuance of its 2024 Annual Report, which highlights its key achievements and activities over the past year. The QFMA annual report is a comprehensive reference that reflects the QFMA's commitment to developing an attractive and sustainable investment environment that contributes to achieving Qatar National Vision (QNV) 2030. The report sheds light on the regulatory developments of the Qatari capital market during 2024, in addition to the key procedures, initiatives and legislation related to the QFMA's competencies and the capital market activity. The report also addresses the QFMA's most important contributions and activities, in addition to its participation in various local and international meetings and conferences related to the capital market in 2024. It presents the QFMA's efforts in promoting transparency and stability in the Qatari market, protecting investors and enhancing their confidence in the market. QFMA continued to perform its tasks and duties and implement its powers and competencies during 2024, in continuation of its essential role in maintaining a strong, regulated and competitive capital market in the State, based on its flexibility, and its constant adherence to strict international standards in investor protection, market surveillance, and QFMA development to be able to keep pace with all developments and changes taking place in the world's most advanced capital markets. During 2024, QFMA continued to work on developing the legislative and investment environment and supporting the digital transformation of the Qatari capital market infrastructure, reflecting its interest in innovation and sustainability to remain at the core of the QFMA's strategy 2023-2027 aimed at strengthening Qatar's position as a leading hub for foreign investments attraction and capital investment in the region. Regulating capital markets and issuing legislation are at the core of the key tasks and competencies of QFMA. The close link between tasks and competencies represents the first and main pillar of the QFMA's aspirations to ensure the continued development of the Qatari capital market and to consolidate its stability in a way that provides dealers and investors with an attractive and stimulating investment environment that will advance the market to developed levels that enable it to compete strongly at the regional and global levels. From this standpoint, QFMA pays attention to keep pace with any developments or changes that may occur in its local, regional and international surroundings, in terms of market regulation mechanisms and standards and legislative and legal environment that regulates the work of such markets. (Peninsula Qatar)
- **Qatar tops Int’l Association of Public Transport MENA ranking -** Qatar ranks first in the Middle East and North Africa (MENA) region in terms of the ‘Share of Populations with Convenient Access to Public Transport’, with 91.7%, according to the International Association of Public Transport (UITP)’s ‘MENA Transport Report 2025’ issued by the Centre for Transport Excellence. This year’s edition broadened its scope, covering public transportation systems in 40 cities across 14 MENA countries. The capital city Doha has the world’s highest number of kilometers per million inhabitants (64km/1mn population) compared to several world capital cities. Doha also ranks third globally in terms of number of public buses for every 1mn inhabitants (969 buses/1mn inhabitants), which reflects Qatar’s significant investment in public transportation. Regarding the metro network fleet, Doha comes fourth globally in terms of number of metro cars (278 cars/1mn inhabitants). The UITP report lists Qatar among the top 20 countries in the world in terms of public transportation user experience alongside Amsterdam, Geneva and Singapore. The report shows Qatar as one of the most efficient countries in terms of public transportation fare according to the Purchasing Power Parity (PPP), making public transportation affordable for all. According to the report, Qatar has one of the highest rankings in the MENA region in environmental sustainability of the transportation system with comprehensive plans for transition to clean energy. It also highlights Qatar among top countries in terms of the smart infrastructure for the public transportation system. The report lauds Qatar’s qualitative progress in upgrading its public transportation system in terms of infrastructure, sustainability, digital transformation, and integration of mobility modes, thereby meeting the needs of its population and visitors and supporting the Qatar National Vision 2030. The report also highlighted the Doha Metro as one of the most advanced and most efficient mobility systems in the world thanks to its full driverless automation and high ridership per every 1mn people. It also lauded Doha Metro’s role in the success of major events Qatar organizes or hosts, first and foremost the FIFA World Cup Qatar 2022 where fans enjoyed safe and smooth movement. The report says Lusail Tram stands out and reflects ambitious urban planning. Serving the smart city of Lusail with the highest rates of kilometers per each 1mn inhabitants if compared to similar cities, the report said Lusail tramway network reflects a forward-looking vision to enhance urban mobility. The report says: “Qatar has taken significant steps toward electrification, with Doha integrating electric buses into its public transport network. Qatar has outlined plans to transition its public bus fleet to full electrification by 2030, supported by an expanding charging infrastructure and investments in smart mobility.” The report adds that Lusail is home to the world’s largest e-bus depot running on solar energy to feed its facilities, with advanced infrastructures including smart charging stations, digital tracking systems, and green maintenance centers. The report also praised Qatar’s success in integrating various transportation modes into one system while making several solutions available for users such as electronic payment using cards and via applications and smart platforms for trip planning and bus tracking, something which helps achieve smooth and efficient connectivity between metro networks, buses, trams and shared mobility. (Qatar Tribune)

International

- **OECD lowers global outlook as Trump trade war hits US growth -** Global economic growth is slowing more than expected only a few months ago as the fallout from the Trump administration's trade war takes a bigger toll on the U.S. economy, the OECD said on Tuesday, revising down its outlook. The global economy is on course to slow from 3.3% last year to 2.9% in 2025 and 2026, the Organization for Economic Cooperation and Development said, trimming its estimates from March for growth of 3.1% this year and 3.0% next year. But the growth outlook would likely be even weaker if protectionism increases, further fueling inflation, disrupting supply chains and rattling financial markets, the Paris-based organization said in its latest Economic Outlook. "Additional increases in trade barriers or prolonged policy uncertainty would further lower growth prospects and likely push inflation higher in countries imposing tariffs," OECD Secretary General Mathias Cormann said as he presented the report. If Washington raised bilateral tariffs by an additional 10 percentage points on all countries as compared with the rates in force as of mid-May, global economic output would be about 0.3% lower after two years, Cormann added. "The key policy priorities in this context are constructive dialogue to ensure a lasting resolution to current trade tensions," Cormann said. U.S. President Donald Trump's tariff announcements since he took office in January have already roiled financial markets and fueled global economic uncertainty, forcing him to walk back some of his initial stances. Last month, the U.S. and China agreed to a temporary truce to scale back tariffs, while Trump also postponed 50% duties on the European Union until July 9. The OECD forecast the U.S. economy would grow only 1.6% this year and 1.5% next year, assuming for the purpose of making calculations that tariffs in place mid-May would remain so through the rest of 2025 and 2026. For 2025, the new forecast marked a sizeable cut as the organization had previously expected the world's biggest economy would grow 2.2% this year and 1.6% next year. While new tariffs may create incentives to manufacture in the United States, higher import prices would squeeze consumers' purchasing power and economic policy uncertainty would hold back corporate investment, the OECD warned. Meanwhile, the higher tariff receipts would only partly offset revenues lost due to the extension of the 2017 Tax Cuts and Jobs Act, new tax cuts and weaker economic growth, it added. Trump's sweeping tax cut and spending bill was expected to push the U.S. budget deficit to 8% of economic output by 2026, among the biggest fiscal shortfalls for a developed economy not at war. As tariffs fuel inflation pressures, the Federal Reserve was seen keeping rates on hold through this year and then cutting the fed funds rate to 3.25-3.5% by the end of 2026. In China, the fallout from the U.S. tariff hikes would be partly offset by government subsidies for a trade-in program on consumer goods like mobile phones and appliances and increased welfare transfers, the OECD said. It estimated the world's second-biggest economy, which is not an OECD member, would grow 4.7% this year and 4.3% in 2026, little changed from previous forecasts for 4.8% in 2025 and 4.4% in 2026. The outlook for the euro area was unchanged from March with growth forecast this year at 1.0% and 1.2% next year, boosted by resilient labor markets and interest rate cuts while more public spending from Germany would buoy 2026 growth. (Reuters)

- **Global alarms rise as China's critical mineral export curbs take hold -** Alarm over China's stranglehold on critical minerals grew on Tuesday as global automakers joined their U.S. counterparts to complain that restrictions by China on exports of rare earth alloys, mixtures and magnets could cause production delays and outages without a quick solution. German automakers became the latest to warn that China's export restrictions threaten to shut down production and rattle their local economies, following a similar complaint from an Indian EV maker last week. China's decision in April to suspend exports of a wide range of critical minerals and magnets has upended the supply chains central to automakers, aerospace manufacturers, semiconductor companies and military contractors around the world. The move underscores China's dominance of the critical mineral industry and is seen as leverage by China in its ongoing trade war with U.S. President Donald Trump. Trump has sought to redefine the trading relationship with the U.S.' top economic rival China by imposing steep tariffs on billions of dollars of imported goods in hopes of narrowing a wide trade deficit and bringing back lost manufacturing. Trump imposed tariffs as high as 145% against China only to scale them back after stock, bond and currency markets revolted over the sweeping nature of the levies. China has responded with its own tariffs and is leveraging its dominance in key supply chains to persuade Trump to back down. Trump and Chinese President Xi Jinping are expected to talk this week, White House spokeswoman Karoline Leavitt told reporters on Tuesday, and the export ban is expected to be high on the agenda. "I can assure you that the administration is actively monitoring China's compliance with the Geneva trade agreement," she said. "Our administration officials continue to be engaged in correspondence with their Chinese counterparts." Trump has previously signaled that China's slow pace of easing the critical mineral export ban represents a violation of the Geneva agreement. Shipments of the magnets, essential for assembling everything from cars and drones to robots and missiles, have been halted at many Chinese ports while license applications make their way through the Chinese regulatory system. The suspension has triggered anxiety in corporate boardrooms and nations' capitals - from Tokyo to Washington - as officials scrambled to identify limited alternative options amid fears that production of new automobiles and other items could grind to a halt by summer's end. "If the situation is not changed quickly, production delays and even production outages can no longer be ruled out," Hildegard Mueller, head of Germany's auto lobby, told Reuters on Tuesday. Frank Fannon, a minerals industry consultant and former U.S. assistant secretary of state for energy resources during Trump's first term, said the global disruptions are not shocking to those paying attention. "I don't think anyone should be surprised how this is playing out. We have a production challenge (in the U.S.) and we need to leverage our whole of government approach to secure resources and ramp up domestic capability as soon as possible. The time horizon to do this was yesterday," Fannon. Diplomats, automakers and other executives from India, Japan and Europe were urgently seeking meetings with Beijing officials to push for faster approval of rare earth magnet exports, sources told Reuters, as shortages threatened to halt global supply chains. A business delegation from Japan will visit Beijing in early June to meet the Ministry of Commerce over the curbs and European diplomats from countries with big auto industries have also sought "emergency" meetings with Chinese officials in recent weeks, Reuters reported. (Reuters)

- **Euro zone inflation eases below ECB target, supporting rate cut bets -** Euro zone inflation eased below the European Central Bank's target last month on surprisingly benign services costs, underpinning expectations for further policy easing even as global trade tensions fuel longer-term price pressures. Consumer price inflation in the 20 countries sharing the euro slowed to 1.9% in May from 2.2% a month earlier, below expectations for 2.0% on a fall in energy prices and a sharp decline in services inflation. A more closely watched reading on underlying inflation, or prices excluding volatile fuel and food prices, meanwhile slowed to 2.3% from 2.7%, driven by a slowdown in services price growth to 3.2% from 4.0%, Eurostat, the EU's statistics agency said. The ECB has cut interest rates seven times since last June and another move on Thursday is almost fully priced in given muted wage growth, easing energy prices, a strong euro and lukewarm economic growth, factors which all point in the direction of easing inflation. "Given the clear disinflationary outlook, especially for services, the ECB cutting rates this Thursday seems an easy bet, and more easing should follow later in the year," Riccardo Marcelli Fabiani at Oxford Economics said. Price pressures are so weak that some economists even expect inflation to keep sinking below the ECB's 2% target this year and not rebound until sometime in 2026. "A strong drop in core inflation in May to 2.3% and headline to 1.9% serves as a clear sign that undershooting the inflation target is still a possibility for the ECB," ING economist Bert Colijn said. This raises a dilemma for the ECB because the short and the longer-term outlooks for prices differ greatly since inflation could come under upward pressure from a host of factors further out. This is why investors think the ECB will pause with rate cuts after easing to 2% in June and only make one more cut this year, possibly in the autumn. However, investors also see a roughly 30% chance of one more cut thereafter, which would then take the deposit rate to 1.5%. Interest rates are also firmly in 'neutral' territory now, where they neither slow economic growth nor stimulate it, an argument for some to take a step back and see how erratic U.S. trade policy will impact growth and prices. Policy hawks have also warned that inflation could go back up soon, given unusually high geopolitical tensions. A trade war, increased tariffs, deglobalization and the realignment of corporate value chains are all expected to increase prices. In addition, the continued decline of the working age population and investments related to defense and climate change could also raise price pressures. How these opposing trends will impact ECB policy is unclear for now but the ECB generally looks through short-term price volatility since it targets inflation in the medium term, a loosely defined concept that normally means one to two years out. Policymakers, however, could be forced to intervene if they think that a dip in prices is also pulling down or 'de-anchoring' longer-term expectations. (Reuters)

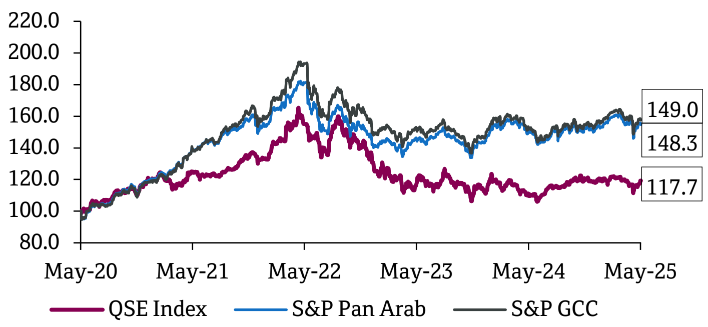
Regional

- **Gulf exports to Korea nearly halve in 2023 -** Trade between member states of the Gulf Cooperation Council (GCC) and the Republic of Korea amounted to $58.9bn in 2023, according to a recent report by the GCC Statistics Organization. The figure represents a 39.5% decrease – equivalent to $38.4bn – from the previous year. The decline was fueled by a roughly 50% decline in GCC exports to Korea, which slumped to $46.3bn in value in 2023, down from $86.1bn in 2022. Exported hydrocarbon products, which made up 94.2% of total exports, were valued at $43.6bn in 2023, representing a decrease of 47.2% in comparison to the previous year ($82.5bn). This was followed by miscellaneous items, which made up 2.0% of total exports, valued at $0.9bn, which decreased by $0.4bn from the previous year. Aluminum products made up 1.5% of exports with a value of $0.7bn and decreased by $0.3bn in 2023. Organic chemical products, which represented 1.1% of total exports, dipped by $0.2bn in 2023 to reach $0.5bn. Copper exports experienced a slight decrease of $0.1bn, amounting to $0.3bn, followed by inorganic chemical product exports, which decreased by $0.2bn in 2023, also amounting to $0.3bn. Both copper products and inorganic chemical products made up 0.6% of total exports respectively. On the other hand, imports from the Republic of Korea into the GCC experienced an increase of 11.1% ($1.4bn) in 2023. Total imports were valued at $12.6bn in 2023, in comparison to $11.2bn in 2022. Miscellaneous items, which represented 33.3% of total imports, remained unchanged with a value of $4.2bn. Motor vehicles and parts, which represent 27.8% of total imports, experienced an increase of $0.6bn in 2023, amounting to $3.5bn. Imports of machinery and mechanical appliances also increased in 2023 by $0.4bn, amounting to $2.1bn. This was followed by electrical machinery and apparatus, which also experienced a slight increase of $0.1bn in 2023. Imports of artificial articles of iron and steel represented 7.1% of imports with a value of $0.9bn, while iron and steel imports made up 4% of total imports with a value of $0.5bn, representing a $0.1bn decrease from the previous year. The Republic of Korea ranked as the GCC's 5th trading partner in 2023. (Zawya)
- **Saudi PMI edges higher as non-oil private firms log output growth -** Output growth among businesses in Saudi Arabia's non-oil private sector ticked marginally higher during May, but was softer than in the first quarter, a new survey showed. The seasonally adjusted Riyad Bank Saudi Arabia Purchasing Managers' Index (PMI), rose to 55.8, a shade higher than 55.6 in April. However, it remained much lower than the recent peak of 60.5 at the start of the year. While the PMI is a weighted average of the following five indices: new orders (30%), output (25%), employment (20%), suppliers' delivery times (15%) and stocks of purchases (10%), only the new orders index rose in May. "Firms reported improvements in demand, new project starts, and greater labor capacity as key drivers. This expansion, though slightly softer, reflects stable operating conditions and continued confidence across the private sector midway through the second quarter," said Naif Al-Ghaith, Chief Economist at Riyad Bank. The survey showed a marked increase in employment, with the rise in staffing one of the fastest seen in over a decade. "On the domestic front, firms increased hiring to match rising output needs, while purchasing activity saw its fastest growth since March 2024, supported by improved vendor delivery times and a more agile supply chain," said Al-Ghaith. Panelists reported an increase in supplier charges for raw materials, with purchase price inflation ticking up to its highest since February. However, selling prices were reduced in May, due to competitive pressures. Optimism regarding the coming 12 months was higher than in April and was the greatest recorded in one-and-a-half years, as companies cited expansion plans and improved demand conditions. (Zawya)
- **JPM: Saudi Arabia expected to issue $12.6bn in bonds until year-end -** Saudi Arabia is expected to issue $12.6bn in bonds for the remainder of the year, JPMorgan said on Tuesday, as the kingdom resorts to the debt markets amid huge investments to overhaul its economy and lower oil prices. The Gulf country, which forecasts a budget deficit of $26.93bn this year, is seeking funds to invest in new industries and wean its economy away from oil under its Vision 2030 plan, investing in sectors such as tourism, manufacturing and technology. Reuters reported in April that Saudi Arabia, with its wealth linked inextricably to oil revenue, faces mounting pressure to raise debt or cut spending after a plunge in crude prices. The kingdom enjoys a low debt-to-GDP ratio and confidence from lenders and was among the largest emerging market debt issuers in 2024. It has already issued $14.4bn so far this year, JPM said in a research note, the largest emerging market issuer in the first five months of 2025, braving market volatility ignited by U.S. President Donald Trump's trade policies. "An uncertain global macro environment and higher borrowing costs have remained deterrents for new issue activity over the past three months" out of emerging markets, JPM said. The bank said that "supply activity could pick up in June, provided market conditions remain stable," warning, however, that volatility remained a key risk. Companies in Saudi Arabia, including state oil giant Aramco and sovereign wealth fund PIF, have also been tapping the debt markets. Saudi Aramco last week raised $5bn from bonds and published a new prospectus for Islamic bonds, signaling a new issuance could be on the horizon. JPM said on Tuesday that other emerging markets countries with "the largest issuance expectations from now until year-end" included neighboring Kuwait, forecasting $8bn in debt issuance by year-end. The small Gulf state, also the Middle East's fourth-largest oil producer, earlier this year issued a long-awaited law to regulate public borrowing as the country prepares for a return to international debt markets after eight years. (Zawya)
- **Abu Dhabi's XRG targets gas, LNG capacity of 20-25mn tons a year by 2035 -** XRG, the international investment arm of Abu Dhabi National Oil Company (ADNOC), is aiming to have a gas and LNG business with a capacity of between 20mn and 25mn metric tons a year by 2035, the company said in a statement on Tuesday. XRG was set up last year as an investment company focused on lower-carbon energy, gas and chemicals, with assets of more than $80bn. On Tuesday, its board, whose members include former BP (BP.L) CEO Bernard Looney and Blackstone's Jon Gray, approved the capacity target and a new five-year business plan. Board members also supported the assessment of potential gas acquisitions and LNG opportunities in North America. ADNOC's current US investments already sit under XRG, and the oil giant's Chief Executive Sultan Al Jaber said in March that XRG would make a significant investment in U.S. natural gas in coming months. The United Arab Emirates, a key ally of U.S. President Donald Trump, plans to raise its U.S. energy investments to $440bn in the next decade from $70bn, Jaber said last month. XRG has also changed the name of its low carbon energies platform to Energy Solutions to reflect the full scope of the company's strategy, including energy demand linked to artificial intelligence and the digital economy, a company spokesperson said on Tuesday. The board "endorsed the company's ambition to create a top three global chemicals platform," XRG said. ADNOC had agreed in October to buy German chemicals maker Covestro for 14.7bn euros ($16.73bn) including debt. Jaber later said it would sit under XRG. (Reuters)
- **Dubai tops again in creative industries cluster FDI -** Dubai has maintained its first place as the world's leading destination for greenfield foreign direct investment (FDI) in the cultural and creative industries (CCI), topping the Financial Times' fDi Markets ranking for the third consecutive year. The 2024 report, which assessed 233 cities under the 'Creative Industries Cluster' classification, placed Dubai ahead of global hubs such as London and Singapore. During the year, the emirate attracted 971 CCI projects — an 8% increase from 2023 — bringing in AED18.86bn ($5.13bn) in capital inflows, up nearly 60% from 2023, and generating 23,517 new jobs, a 9% year-on-year rise. All major CCI subsectors saw stronger performance, with notable growth in advertising and PR, film and media production, gaming, education, and advanced software design. According to the Dubai FDI Monitor, greenfield, wholly-owned ventures made up

76.5% of all projects, while new forms of investment represented 15.4%, reinvestment 5.6%, and mergers & acquisitions (2.4%). Data from the Dubai FDI Monitor and the Dubai Framework for Cultural Statistics show that the US accounted for the largest share of capital inflows in 2024, at 23.2%, followed by India (13.4%), the United Kingdom (9.4%), Switzerland (7.6%), and Saudi Arabia (4.8%). India led in both the number of projects (18.8%) and jobs (18.5%), while the UK, US, Germany, Italy, and France also featured prominently across both metrics. Investor confidence continues to be driven by Dubai's pro-business reforms, including Executive Council Resolution 11 of 2025, which enables free zone businesses to operate onshore, expanding commercial flexibility. The city's Zero Government Bureaucracy program is also reducing red tape across more than 2,000 federal procedures. Combined with strong intellectual property protections and advanced digital infrastructure, these initiatives have helped establish a regulatory framework marked by efficiency, transparency, and ease of doing business. Insights from the 'Creative Dubai: Navigating Tomorrow's Creative Landscape' report illustrate how this ecosystem is scaling with demand, pinpointing investment opportunity hotspots in design, immersive media and AI-driven production. Dubai continues to offer investors access to top-tier talent, competitive setup costs, and strategic connectivity. The 2024 FDI results underscore the city's rise as a global hub for innovation and one of the world's most attractive environments for creative enterprise. (Zawya)

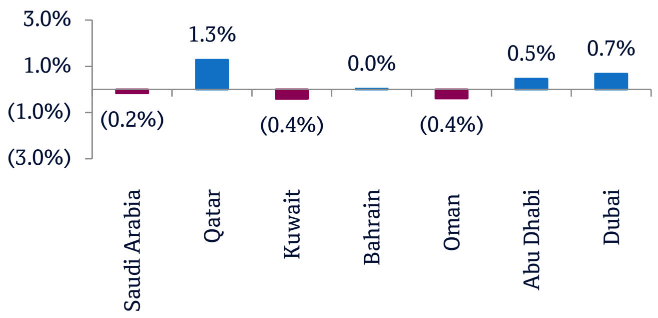
- **Dubai Future District Fund drives $1.65bn in capital commitments, powers over 190 startups -** The Dubai Future District Fund (DFDF), which is anchored by Dubai International Financial Centre (DIFC) and the Dubai Future Foundation (DFF), reported a year of strategic growth in 2024, including over $1.65bn in capital commitments and support for more than 190 portfolio companies. The figures were released during the Fund's Annual General Meeting, where the Board of Directors reported progress across its investment mandate. The Fund supported over 190 portfolio companies through both direct investments and 12 Fund of Funds initiatives, which aligns with the Dubai Economic Agenda (D33). The Fund said these efforts reinforced its role in advancing technology, talent, and venture capital in the region. Khalfan Belhoul, DFDF Board of Directors Chairman and CEO of the Dubai Future Foundation, said, "These achievements underscore the central role that the Dubai Future District Fund plays in driving the growth of Dubai's digital economy – one that thrives on innovation and leverages the latest future technologies across key sectors." "Innovation thrives not in isolation, but within inclusive, connected communities," said Arif Amiri, DFDF Board Member and Chief Executive Officer of DIFC Authority. "As the Fund continues to position Dubai as a global pioneer for innovation, we are more committed than ever to cultivating collaboration with partners globally who are also committed to driving future economic growth." In 2024, DFDF went beyond its core investment activities to showcase how venture capital can serve as a conduit for public-private collaboration and scalable innovation. The Fund published value creation case studies in partnership with key institutions across sectors – spotlighting its growing role as a strategic enabler. With the UAE's announcement of 2025 as the Year of the Community, DFDF outlined a renewed commitment to building stronger bridges across the innovation landscape – between founders and funders, startups and regulators, and the region and global markets. (Zawya)
- **Tender Board: No contracts with firms not meeting Omanization rates -** The General Secretariat of the Tender Board has issued Circular No. (2025/2), directing all ministries and government units subject to the Tender Law to refrain entirely from contracting with private sector companies that fail to meet government-approved Omanization rates. As per the circular, government entities are required to take the following measures: A mandatory clause related to Omanisation compliance and the employment of the national workforce must be incorporated into all tender documents prior to issuance, following the official template provided. Before awarding any contract, entities must verify that the bidding companies meet the Omanization requirements through the electronic tendering system (Isnad), which is directly linked to the Ministry of Labor's database. For international companies and institutions not registered in the Sultanate of Oman but participating in international tenders, compliance with Omanization obligations will be monitored post-award and during contract execution, in alignment with the local content plan. The circular underscores the government's commitment to enhancing employment opportunities for Omani nationals and ensuring that public procurement supports the country's strategic workforce. (Zawya)
- **Oman's industrial exports rise 8.6% to $2.5bn in Q1 -** Oman's industrial sector exports recorded a notable increase of 8.6% in the first quarter of 2025, reaching RO1.618bn, compared to RO1.49bn during the same period in 2024, according to data released by the National Centre for Statistics and Information (NCSI). Industrial exports accounted for 28% of Oman's total exports, indicating the growing contribution of the industrial sector to the national economy and its role in promoting economic diversification. This growth is attributed to strong performances across several industrial segments, particularly the electrical machinery and equipment manufacturing sector, which posted an exceptional 141% increase in export value. Exports from this sector rose to RO128mn, compared to RO53mn in Q1 2024, the NCSI data showed. This was followed by metal products, with exports increasing by 14.1% to RO462mn, supported by growing international demand for high-quality Omani goods. In a statement to the Oman News Agency, Eng Khalid bin Salim al Qassabi, Director General of Industry at the Ministry of Commerce, Industry and Investment Promotion, said that the positive results reflect the strength and diversity of Oman's industrial base. He noted that the ministry continues to implement integrated industrial policies aimed at enhancing the competitiveness of Omani products in regional and international markets, while driving export growth. "The electrical machinery and equipment sector is experiencing rapid growth, spurred by rising demand locally and regionally, and linked to the expansion of infrastructure projects, including electricity networks, public utilities, and the development of new cities. This growth is also supported by increased investment in industries related to renewable energy," said Qassabi. He emphasized that the sector is a priority under Oman's Industrial Strategy 2040, due to its role in developing supply chains, enhancing the added value of the national economy, supporting entrepreneurship, and facilitating the localization of advanced technologies. Eng Jassim bin Saif al Jadidi, Technical Director at the Office of the Undersecretary of the Ministry of Commerce, Industry and Investment Promotion for Commerce and Industry, stressed the continuation of efforts to expand the presence of Omani products in both regional and global markets. This goal is central to the Industrial Strategy and a key pillar of Oman Vision 2040. He explained that these efforts involve launching a series of qualitative initiatives aimed at improving the efficiency and quality of national products. This includes supporting local manufacturers in meeting the highest technical standards and international specifications, thereby enhancing competitiveness and consumer confidence in Omani goods. He added that the ministry, in coordination with relevant authorities, is working to open new markets for Omani exports by activating regional and international trade agreements, participating in exhibitions and trade missions, and providing incentives and support for Omani exporters. The ministry is also encouraging the growth of knowledge-based industries and the adoption of advanced technologies, including artificial intelligence and Fourth Industrial Revolution tools. These technologies play a crucial role in improving product quality, reducing costs, and ensuring sustainable industrial growth. They also contribute significantly to supporting the national economy, creating quality employment opportunities for Omani nationals, and reinforcing the sultanate's position as a promising industrial and logistics hub in the region. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	3,353.43	(0.8)	2.0	27.8
Silver/Ounce	34.52	(0.7)	4.7	19.4
Crude Oil (Brent)/Barrel (FM Future)	65.63	1.5	2.7	(12.1)
Crude Oil (WTI)/Barrel (FM Future)	63.41	1.4	4.3	(11.6)
Natural Gas (Henry Hub)/MMBtu	2.84	(5.3)	1.1	(16.5)
LPG Propane (Arab Gulf)/Ton	73.00	(1.4)	(1.6)	(10.4)
LPG Butane (Arab Gulf)/Ton	81.10	0.1	1.6	(32.1)
Euro	1.14	(0.6)	0.2	9.8
Yen	143.97	0.9	(0.0)	(8.4)
GBP	1.35	(0.2)	0.4	8.0
CHF	1.21	(0.8)	(0.2)	10.1
AUD	0.65	(0.5)	0.5	4.4
USD Index	99.23	0.5	(0.1)	(8.5)
RUB	110.69	0.0	0.0	58.9
BRL	0.17	(1.0)	0.5	(1.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,894.53	0.3	0.8	5.0
DJ Industrial	42,519.64	0.5	0.6	(0.1)
S&P 500	5,970.37	0.6	1.0	1.5
NASDAQ 100	19,398.96	0.8	1.5	0.5
STOXX 600	548.44	(0.3)	0.2	18.7
DAX	24,091.62	0.3	0.6	32.4
FTSE 100	8,787.02	0.1	0.6	16.1
CAC 40	7,763.84	(0.1)	0.4	15.6
Nikkei	37,446.81	(0.8)	(1.4)	2.5
MSCI EM	1,158.13	0.4	0.1	7.7
SHANGHAI SE Composite	3,361.98	0.6	0.6	1.9
HANG SENG	23,512.49	1.5	0.9	16.1
BSE SENSEX	80,737.51	(1.2)	(1.1)	3.1
Bovespa	137,546.27	1.6	1.6	25.2
RTS	1,102.21	1.8	1.8	6.3

Source: Bloomberg ($ adjusted returns if any)*

Contacts

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
info@qnbfs.com.qa
Doha, Qatar

Saugata Sarkar, CFA, CAIA
Head of Research
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
shahan.keushgerian@qnbfs.com.qa

Phibion Makuwerere, CFA
Senior Research Analyst
phibion.makuwerere@qnbfs.com.qa

Roy Thomas
Senior Research Analyst
roy.thomas@qnbfs.com.qa

Dana Saif Al Sowaidi
Research Analyst
dana.alsowaidi@qnbfs.com.qa