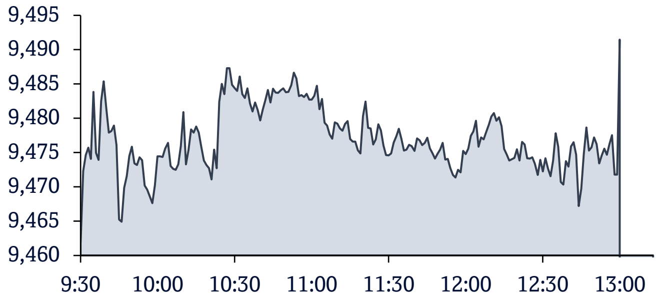
QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.3% to close at 9,491.5. Gains were led by the Industrials and Insurance indices, gaining 1.1% and 0.5%, respectively. Top gainers were Al Meera Consumer Goods Co. and Meeza QSTP, rising 5.9% and 3.0%, respectively. Among the top losers, Qatar General Ins. & Reins. Co. fell 4.5%, while Doha Insurance Group was down 2.0%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.5% to close at 11,553.2. Losses were led by the Utilities and Insurance indices, falling 2.2% and 2.1%, respectively. Fawaz Abdulaziz Alhokair Co. declined 5.3%, while Sustained Infrastructure Holding Co. was down 5.0%.

Dubai: The DFM Index fell 0.1% to close at 3,980.3. The Industrials index declined 1.0%, while the Utilities index fell 0.6%. Orascom Construction declined 6.2%, while Salik Company was down 3.3%.

Abu Dhabi: The ADX General Index gained 0.3% to close at 8,948.1. The Real Estate index rose 1.7%, while the Financials Index gained 1.0%. Al Ain Alahlia Insurance Co. rose 11.1%, while Manazel was up 7.2%.

Kuwait: The Kuwait All Share Index gained 0.1% to close at 7,049.0. The Consumer Services index rose 1.8%, while the Real Estate index gained 0.5%. Gulf Franchising Holding Co rose 20.7%, while Taameer Real Estate Invest C was up 10.4%.

Oman: The MSM 30 Index fell 0.1% to close at 4,778.7. The Services index declined 0.1%, while the other indices ended flat or in green. Al Omaniya Financial Services declined 1.8%, while Al Suwadi Power was down 1.3%.

Bahrain: The BHB Index fell 0.2% to close at 2,037.9. The Materials index declined 0.8% while the Communications Services index fell 0.2%. Ithmaar Holding declined 7.1%, while GFH Financial Group was down 2.3%.

Market Indicators	05 Jun 24	04 Jun 24	%Chg.
Value Traded (QR mn)	502.7	488.9	2.8
Exch. Market Cap. (QR mn)	550,340.9	548,603.9	0.3
Volume (mn)	151.5	156.5	(3.2)
Number of Transactions	17,321	18,338	(5.5)
Companies Traded	50	51	(2.0)
Market Breadth	20:25	34:13	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,348.20	0.3	1.8	(8.2)	10.7
All Share Index	3,327.37	0.3	1.6	(8.3)	11.4
Banks	3,901.43	0.1	1.1	(14.8)	9.4
Industrials	3,954.58	1.1	1.2	(3.9)	2.7
Transportation	5,135.26	0.0	3.5	19.8	24.6
Real Estate	1,595.80	(0.2)	1.2	6.3	13.1
Insurance	2,261.23	0.5	(1.1)	(14.1)	167.0
Telecoms	1,522.35	0.1	0.9	(10.7)	8.4
Consumer Goods and Services	7,404.68	0.2	6.1	(2.3)	230.8
Al Rayan Islamic Index	4,508.57	0.2	1.4	(5.4)	13.7

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
ADES Holding	Saudi Arabia	19.40	3.2	8,373.5	(19.2)
Multiply Group	Abu Dhabi	1.88	2.2	28,802.0	(40.9)
Aldar Properties	Abu Dhabi	5.56	2.0	10,916.4	3.9
Industries Qatar	Qatar	11.88	1.9	2,355.0	(9.2)
Jabal Omar Dev. Co.	Saudi Arabia	25.70	1.6	1,957.9	14.7

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Americana Restaurants Int	Abu Dhabi	3.10	(4.3)	5,466.3	(0.3)
Salik Co.	Dubai	3.26	(3.3)	5,744.6	4.8
Co. for Cooperative Ins.	Saudi Arabia	137.80	(3.0)	122.1	5.8
Emirates Telecommunication	Abu Dhabi	15.80	(2.8)	2,820.3	(19.6)
Acwa Power Co.	Saudi Arabia	386.40	(2.7)	466.6	50.7

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Al Meera Consumer Goods Co.	13.98	5.9	1,001.0	1.4
Meeza QSTP	3.619	3.0	856.6	26.1
Qatar Insurance Company	2.100	1.9	747.2	(18.9)
Industries Qatar	11.88	1.9	2,355.0	(9.2)
Qatari German Co for Med. Devices	1.811	1.7	17,792.3	24.8

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	0.933	(4.5)	109.7	(36.5)
Doha Insurance Group	2.396	(2.0)	19.6	0.3
Qatar Oman Investment Company	0.800	(1.1)	2,713.7	(15.9)
Gulf Warehousing Company	3.280	(1.1)	2,672.1	4.7
National Leasing	0.706	(1.0)	1,733.4	(3.2)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	1.811	1.7	17,792.3	24.8
Qatar Aluminum Manufacturing Co.	1.369	(0.4)	17,104.8	(2.2)
Baladna	1.302	0.3	13,055.0	6.4
Dukhan Bank	3.550	(0.8)	12,919.1	(10.7)
United Development Company	1.160	0.0	8,457.6	8.9

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	13.63	0.2	69,145.4	(17.5)
Dukhan Bank	3.550	(0.8)	46,058.4	(10.7)
Qatar Islamic Bank	17.55	0.3	39,276.2	(18.4)
Qatari German Co for Med. Devices	1.811	1.7	32,408.8	24.8
Qatar Fuel Company	14.80	(0.7)	27,942.5	(10.7)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,491.46	0.3	1.8	1.8	(12.4)	137.97	150,903.5	10.7	1.3	5.0
Dubai	3,980.32	(0.1)	0.2	0.1	(2.0)	96.06	182,972.6	7.8	1.2	6.0
Abu Dhabi	8,948.09	0.3	2.2	1.0	(6.6)	278.10	674,539.6	17.9	2.6	2.2
Saudi Arabia	11,553.16	(0.5)	0.4	0.4	(3.5)	2,147.12	2,687,050.2	20.0	2.3	3.6
Kuwait	7,049.01	0.1	(0.0)	(0.0)	3.4	188.78	149,245.4	17.6	1.7	3.3
Oman	4,778.70	(0.1)	(1.4)	(1.4)	5.9	6.08	24,255.4	12.8	1.0	5.2
Bahrain	2,037.89	(0.2)	(0.1)	(0.1)	3.4	5.64	21,374.0	7.8	0.8	8.2

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

Qatar Market Commentary

- The QE Index rose 0.3% to close at 9,491.5. The Industrials and Insurance indices led the gains. The index rose on the back of buying support from Qatari shareholders despite selling pressure from non-Qatari shareholders.
- Al Meera Consumer Goods Co. and Meeza QSTP were the top gainers, rising 5.9% and 3.0%, respectively. Among the top losers, Qatar General Ins. & Reins. Co. fell 4.5%, while Doha Insurance Group was down 2.0%.
- Volume of shares traded on Wednesday fell by 3.2% to 151.5mn from 156.5mn on Tuesday. Further, as compared to the 30-day moving average of 175.1mn, volume for the day was 13.5% lower. Qatari German Co for Med. Devices and Qatar Aluminum Manufacturing Co. were the most active stocks, contributing 11.7% and 11.3% to the total volume, respectively.

Overall Activity	Buy%*	Sell%*	Net (QR)
Qatari Individuals	21.76%	24.94%	(15,993,895.29)
Qatari Institutions	52.72%	30.13%	113,547,759.35
Qatari	**74.48%**	**55.08%**	**97,553,864.06**
GCC Individuals	0.13%	0.14%	(54,148.95)
GCC Institutions	1.36%	5.85%	(22,557,125.73)
GCC	**1.50%**	**5.99%**	**(22,611,274.68)**
Arab Individuals	6.48%	7.15%	(3,365,219.79)
Arab Institutions	0.00%	0.00%	-
Arab	**6.48%**	**7.15%**	**(3,365,219.79)**
Foreigners Individuals	1.81%	1.46%	1,774,827.28
Foreigners Institutions	15.73%	30.32%	(73,352,196.87)
Foreigners	**17.54%**	**31.78%**	**(71,577,369.59)**

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

Global Economic Data

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05-06	US	Automatic Data Processing, Inc	ADP Employment Change	May	152k	175k	188k
05-06	US	Markit	S&P Global US Services PMI	May	54.80	54.80	54.80
05-06	US	Markit	S&P Global US Composite PMI	May	54.50	54.20	54.40
05-06	UK	HM Treasury	Official Reserves Changes	May	$1647m	NA	$13m
05-06	UK	Markit	S&P Global UK Services PMI	May	52.90	52.90	52.90
05-06	UK	Markit	S&P Global UK Composite PMI	May	53.00	52.80	52.80
05-06	EU	Markit	HCOB Eurozone Services PMI	May	53.20	53.3	53.30
05-06	EU	Markit	HCOB Eurozone Composite PMI	May	52.20	52.30	52.30
05-06	EU	Eurostat	PPI MoM	Apr	-1.00%	-0.70%	-0.50%

Qatar

- **QatarEnergy selects CPC as NFE partner, signs SPA for 4 MTPA of LNG for 27 years -** QatarEnergy signed definitive agreements with CPC Corporation, Taiwan (CPC) covering the long-term supply of LNG to CPC and partnership in the North Field East LNG expansion project (NFE). The two parties signed an LNG Sales and Purchase Agreement (SPA) for the delivery of 4mn tons per annum (MTPA) of LNG from the NFE project to CPC over a period of 27 years. The two sides also signed a share sale and purchase agreement pursuant to which QatarEnergy will transfer to CPC a 5% interest in the equivalent of one NFE train with a capacity of eight MTPA. This transfer will see CPC become a partner in the NFE project without affecting the participating interests of any of the other shareholders in the project. The agreements were signed by Minister of State for Energy Affairs and QatarEnergy President and CEO HE Saad Sherida Al Kaabi and Shun-Chin Lee, chairman of CPC Corporation, Taiwan during a special ceremony held at QatarEnergy's headquarters in Doha and attended by senior executives from both companies. Welcoming CPC as a valuable partner in the NFE project, Al Kaabi said, "We look forward to further enhancing our relationship with CPC that extends for over three decades, and to further demonstrate our unwavering commitment to our customers and partners around the world." Al Kaabi expressed his thanks and appreciation to the teams from CPC and QatarEnergy for their hard work and dedication to conclude the agreements. On his part, Shun-Chin Lee said, "QatarEnergy, the world's leading LNG player, has been playing an important role in ensuring Taiwan's domestic gas market over the past decades. CPC's acquired equity in the NFE project and this new LNG SPA will further strengthen the cooperative relationship between our two companies." The NFE project is part of the overall North Field LNG expansion program that also includes the North Field South and North Field West projects, which together will raise Qatar's LNG production capacity from the current 77 MTPA to 142 MTPA in 2030. (Qatar Tribune)
- **Confirmation of credit rating of Qatar Islamic Insurance at -A by A M Best -** Qatar Islamic Insurance has announced that A M Best has confirmed the credit rating at -A. The ratings reflect QIIG's balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, limited business profile and appropriate enterprise risk management. (QSE)
- **Al Meera Oman and Shell Oman partner to launch co-branded stores -** Al Meera Consumer Goods Company is pleased to announce a strategic partnership with Shell Oman Marketing Company (Shell Oman), effective from June 1, 2024, marking a significant milestone in expanding its supply chain solutions across Oman. This collaboration will entail Al Meera providing comprehensive supply chain services for 57 Shell Select convenience stores, which will be co-branded as Al Meera – Shell Select Stores. This initiative marks a significant milestone in expanding product diversity in stores across Oman, aiming to comprehensively cater to the diverse needs of customers, and thereby improving overall customer satisfaction. The signing ceremony took place at Shell Headquarters in Oman and was attended by senior management from both organizations. Al Meera's top management was represented by Mr. Ali Al Kuwari, Chairman of Al Meera Oman, along with Mr. Yousef Al Obaidan, CEO of Al Meera Group and Board Director of Al Meera Oman. Shell Oman Marketing Company S.A.O.G. (Shell Oman) was represented by their CEO, Dr. Mohammed Al Balushi. Tanmia (Oman National Investments Development Company SAOC), shareholder of Al Meera Markets SAOC, was represented at the signing by the CEO, Khalid Al Balushi; Vice Chairman Al Meera Markets SAOC, Said Al Maskari; and Board Director Al Meera Markets SOAC, Abdul Aziz Al Yahmadi. The initiative will encompass a total of 57 stores distributed across various regions in Oman: 33 in Muscat, 11 in Batinah, 9 in Sharqiya, and 2 each in Dhofar and Dhakhliya. This extensive presence will not only enhance Al Meera's brand visibility in Oman but also signifies its foray into the convenience/petromart retail format, underscoring Al Meera's dedication to innovation, customer satisfaction, and strategic growth. (Peninsula Qatar)
- **Al Faleh Educational Holding: To disclose its Quarter 3 financial results on June 13 -** Al Faleh Educational Holding discloses its financial statement for the period ending 31st May 2024 on 13/06/2024. (QSE)

- **Estonia Parliament considers bill to ratify DTA, protocol with Qatar -** The Estonian Parliament (Riigikogu) June 4 accepted for consideration Bill No. 450 SE, to ratify the DTA and protocol with Qatar, signed March 7, which incorporates the standards of the OECD base erosion and profit shifting (BEPS) project, including for information exchange, entitlement to benefits, and mutual agreement procedure (MAP). (Bloomberg)

- **Qatar-China trade volume reaches QR87bn -** Qatar Chamber has hosted a Chinese business delegation led by Liu Qilin, chairman of China Council for the Promotion of International Trade (CCPIT) in the Province of Yunnan. The meeting was attended by Qatar Chamber first vice-chairman Mohamed bin Towar al-Kuwari, as well as several Qatari and Chinese business owners. During the meeting, both parties reviewed means to strengthen co-operation between the two entities and mechanisms to promote trade exchange between the two countries. They also discussed the investment climate and investment opportunities available in various sectors, especially in the food industries. In his remarks, Qilin said the delegation aims to learn about the industry sector in Qatar and explore the commercial potential and opportunities available in Qatar and Yunnan Province, in addition to means to promote bilateral trade and the possibility of signing an agreement with Qatar Chamber. Qilin called on Qatar Chamber to encourage Qatari businessmen to participate in the '8th China-South Asia Exposition' and the '28th China Kunming Import & Export Fair' scheduled on July 23-30, 2024. He noted significant opportunities for investment in the sectors of green foods and food industries in China, calling on Qatari businesses to invest in Yunnan Province. For his part, al-Kuwari lauded commercial relations between both countries, saying China is one of the most important trade partners of Qatar. Trade volume amounted to QR87bn in 2022, reflecting a 32% year-on-year growth from QR65.8bn. Al-Kuwari emphasized that Qatari companies are interested in expanding co-operation with their Chinese counterparts and establishing commercial alliances. He stressed the chamber's interest in encouraging Qatari business owners to participate in Chinese exhibitions, noting these exhibitions offer a valuable opportunity to learn about Chinese products and promote Qatari products. (Gulf Times)

- **QFC and QSTP in workflow pact; QSTP firms to migrate to QFC regime -** The Qatar Financial Centre Authority (QFCA) has signed a workflow pact with Qatar Science and Technology Park (QSTP), a member of Qatar Foundation (QF), to facilitate the registration of businesses in Qatar. As part of this agreement, all the legal entities currently registered and licensed in the QSTP free zone would migrate to the QFC's regulatory regime. Going forward, the QFC will facilitate the registration and licensing of the QSTP entities and provide them with specific services essential to their business operations, including customer support, dispute resolution, judicial system assistance, liquidation, Ministry of Interior services, tax compliance and incentives, as well as visa and immigration support. Furthermore, both parties will promote relevant initiatives and activities within each other's events and outreach programs. They will also collaborate on evaluating proposals involving joint projects that relate to their mutual development and the promotion of their respective products and services. "This workflow agreement marks a significant step towards streamlining business setup in Qatar. By partnering with the QSTP, we aim to foster a supportive environment for businesses across sectors, contributing to the economic diversification of the country. It also broadens our support for tech enterprises, further driving innovation and growth in Qatar's tech ecosystem," said Yousuf Mohamed al-Jaida, chief executive officer of QFCA. Dr Jack Lau, president, QSTP, said this vital pact ensures that tech-based entities and promising entrepreneurs that leverage its ecosystem – now and in future - are provided with efficient and seamless experience, in line with the national vision of talent transformation. "It also strengthens the QSTP's role as a key enabler of Qatar's thriving tech sector," he said. This workflow agreement underscores the commitment of the QFC and the QSTP to drive economic diversification and growth by providing extensive support to both established and emerging companies that wish to establish a presence in Qatar. (Gulf Times)

- **Qatar most open nation in visa facilitation** - With 102 countries granted visas on arrival as of the last count, Qatar has become the most open country in the world in terms of visa facilitation, the Chairman of Qatar Tourism (QT), H E Saad bin Ali Al Kharji, has said. Speaking at the 2024 Global Exhibitions Day (GED) hosted by QT with UFI, the Global Association of the Exhibition Industry, yesterday, Al Kharji noted that Qatar's commitment to hosting large-scale global events is an important means by which it is fulfilling the objective of becoming the fastest-growing tourism destination in the Middle East by 2030.The event, which marked the inaugural GED celebration in the Middle East, was also attended by Sheikh Jabor bin Yousef bin Jassim bin Jabor Al Thani, Chairman of the Arab Union for International Exhibitions & Conferences (AUIEC), Naji El Haddad, Regional Director of UFI, and other dignitaries and industry leaders. Al Kharji said, "We have welcomed over 6mn visitors between 2023 and this year. In 2023, we welcomed over 4mn visitors, and up until April 2024, we have received another 2mn visitors." The QT Chairman noted that MICE (Meetings, Incentives, Conferences, and Exhibitions) has become one of the priority pillars driving growth in Qatar's tourism sector, which Qatar recognizes as integral to its strategic goals. "The inclusion of Qatar's national development strategy further reinforces this message. Here in Qatar, we boast nothing short of state-of-the-art MICE facilities, with two world-class venues offering a combined exhibition capacity of 70,000 square meters," he added. Al Kharji noted that Qatar is building a strong calendar of exhibitions and major business events. (Peninsula Qatar)

- **Qatar ranked world's second safest country -** One of Qatar's first and most notable features is its safety, which is evident in various aspects of daily life, making it one of the safest and best places to live. In 2024, Qatar ranked second on the list of the world's safest countries, just behind the United Arab Emirates, which topped the list according to Numbeo, a crowd-sourced online database widely used by global news agencies. The safety index considered various measures, including crime levels, safety while walking alone, and the incidence of stolen vehicles and property crimes. Qatar achieved very low scores in crime rates, concerns about home break-ins, car theft, physical attacks and drug-related offenses. Conversely, it scored highly for safety during both day and night, reflecting the secure environment that allows residents, regardless of gender or nationality, to walk freely around the city, and children to play safely in parks and playgrounds. The Peninsula gathered insights from expatriates living in Qatar who shared their personal safety experiences. Jillian Malinao, a Filipino woman who lives alone in Qatar, said: "Living in Qatar has been reassuring for me. I feel safe walking home late at night or when I'm alone at home. The community and authorities are very supportive, adding an extra layer of security." Ehab Ewis, an Egyptian expat who has been driving in Qatar for over a decade, mentioned his worry-free experience with car ownership: "I've parked my car in various places around the city, sometimes for several days. I've never experienced any issues like theft or vandalism." A South African family expressed their satisfaction with the safety of their children playing in public parks. "Our children play outside and visit parks regularly without any concern. The parks are well-maintained and monitored, which allow us to feel comfortable letting our kids play freely," Janine Madlanga, the mother of the children said. (Peninsula Qatar)

- **Transport Minister, Yutong Chairman discuss partnership to set up e-bus factory in Qatar -** Minister of Transport H E Jassim Saif Ahmed Al Sulaiti met Tang Yuxiang, Chairman, Yutong Bus Co. Ltd., which has one of the world's largest e-bus manufacturing and assembly factories. The meeting, held in Zhengzhou, discussed cooperation and relations, and ways to enhance them to broader horizons, particularly in terms of using ecofriendly and autonomous public transportation technologies. They also discussed the latest on the strategic partnership for establishing a factory for manufacturing e-buses at the free zones in Qatar, in addition to the cooperation on mutual investments between Yutong and Mowasalat (Karwa). Following the meeting, Al Sulaiti visited some of Yutong e-bus factories and was briefed on the manufacturing processes and units, production lines, and some of the newest manufacturing technologies. (Peninsula Qatar)

- **Al-Kharji: Qatar emerges as a major MICE destination -** "Qatar is home to state-of-the-art Meetings, Incentives, Conferences, and Exhibition (MICE) facilities and venues," HE the Qatar Tourism (QT) chairman Saad bin Ali al-Kharji has said. While delivering the remarks during the Global Exhibitions Day (GED) by QT, al-Kharji noted that Qatar has a tremendous number of 128 venues offering a combined exhibition capacity of 70,000. The maiden GED celebration in the Middle East was in partnership with UFI, the Global Association of the Exhibition Industry. The event was attended by the chairman of the Arab Union for International Exhibitions and Conferences (AUIEC) Sheikh Jabor bin Yousef bin Jassim bin Jabor al-Thani and UFI regional director Naji El Haddad. Al-Kharji said that MICE is a priority pillar driving growth in Qatar's tourism sector. GED serves as a platform for networking and fruitful exchanges between industry leaders, stakeholders and potential clients, making it an important event in the exhibitions sector for Qatar. "We aim to increase the number of exhibitions in the country to further contribute to Qatar's success as a leading regional hub of the MICE industry. Supported by well-advanced infrastructure, a business-friendly ecosystem, and state-of-the-art venues, Qatar has solidified its position as a favorable MICE destination for its capability for hosting mega events. Qatar has built a strong track record of successfully hosting major events and conferences, attracting over 100,000 visitors. These include the Geneva International Motor Show (GIMS) 2023, Doha Jewelry and Watches Exhibition (DJWE) and Web Summit 2024," the QT chairman noted. The GED 2024 celebration hosted key stakeholders from the exhibitions industry, both locally, and from the wider region. QT has been a Diamond Sponsor of UFI since 2018, the highest tier of partnership for UFI. Qatar Tourism and UFI share a long-standing history as strategic partners in developing MICE industry in the country. In addition, the sponsorship also promotes Qatar to UFI's global network of members and strategic key markets. Qatar hosted the UFI MEA Conference last year, which further augmented Qatar's exhibition sector by positioning Qatar firmly in the exhibitions market. The GED event included discussions on topics 'Unlocking Opportunities: Qatar's Business Events Industry Outlook and Potential' and 'Challenges and Solutions for Venues of the Future'. Running under the theme 'Exhibitions are catalysts to sustainable futures', the GED is focusing on four key pillars; exhibitions drive progress, exhibitions facilitate economic growth, exhibitions are sustainable and exhibitions connect people. (Gulf Times)

International

- **Reuters poll: Fed to cut rates twice this year, starting September -** The US Federal Reserve will cut its key interest rate in September and once more this year, according to a majority of forecasters in a Reuters poll that also showed a significant risk they opt for only one or none at all. Economists in Reuters surveys over the past few months have remained consistent in predicting two cuts, unlike markets which until last week were pricing in one, in November, before flipping back to two. That shift in fed funds futures bets was partly because official data showed the US economy expanded at a slower pace last quarter than estimated earlier, even as key inflation measures remained sticky. But over the past few months, Fed officials have made clear they are in no hurry to cut the policy rate. Some economists think the Fed's latest quarterly "dot plot" projection, due this month, would show two or fewer rate cuts for this year, down from a very close call of three in March. Still, nearly two-thirds of economists, 74 of 116, in the May 31-June 5 Reuters poll predicted the first cut in the fed funds rate to a 5.00%-5.25% range would come in September. That was the same conclusion as last month's poll, with a similar majority. Only five expect a July cut, down from 11 in the May survey, and none predicted a reduction at the June 11-12 policy meeting. "They (the Fed) are in a good place in terms of the amount of restriction monetary policy is currently exerting on the economy," said Oscar Munoz, chief US macro strategist at TD Securities, who sees cuts in September and December. "They don't want to overdo it either. So, as long as the economy is holding up but also normalizing and inflation continues to drop, then they start easing. It's more the calibration of policies, not really moving policy to a more restrictive or less restrictive stance." Around 60% of participants in the latest poll, 68 of 116, predicted two quarter-point cuts this year, broadly unchanged from last month's survey. (Reuters)
- **ECB to begin cutting rates even as inflation fight continues -** The European Central Bank was all but certain to cut interest rates from record highs on Thursday and was likely to acknowledge it had made progress in its battle against high inflation, while also stressing the fight was not yet over. ECB policymakers have clearly telegraphed their intention to lower borrowing costs after seeing inflation in the 20 countries that share the euro fall from more than 10% in late 2022 to just above their 2% target in recent months. The broad-based decline was seen as more than enough for the ECB to begin undoing the steepest streak of interest rate hikes in its history, which were a response to spiraling prices in the wake of Russia's invasion of Ukraine. Now, the ECB will join the central banks of Canada, Sweden and Switzerland in cutting rates and moving well ahead of the influential US Federal Reserve. But what had looked like the start of a major easing cycle only a few weeks ago now appeared more uncertain amid signs that inflation may prove stickier than expected in the euro area, as has been the case in the United States. This meant that ECB President Christine Lagarde and her colleagues were unlikely to commit to a further rate reduction at their July meeting or beyond just yet. Instead, they were expected to stress any further move would depend on incoming data and that borrowing costs needed to remain high enough to keep a lid on inflation. "The cut will set the new direction for policy but with economic momentum outperforming expectations and domestic inflation proving sticky in 2024, the ECB can afford to take things slowly and let the data set the parameters of the easing cycle," Deutsche Bank economists wrote in a note to clients. All 82 economists polled by Reuters expected the ECB to trim its deposit rate to 3.75% on Thursday from a record 4.0%, in what would be its first cut since 2019. But not all think it is a good idea. Gabriele Foà, a portfolio manager at Algebris Investments, said the cut "may soon be viewed as a policy mistake" and JPMorgan economist Greg Fuzesi said it was "oddly rushed". "The cost of waiting until September appears low while the benefit of getting more clarity on the inflation outlook appears high," Fuzesi added. "For some reason, the ECB Governing Council, however, seems already to have decided many weeks ago to deliver a June cut." (Reuters)
- **Reuters poll: China's exports seen rising more quickly in May, boosting growth prospects -** China's exports likely grew more quickly and for a second month in May thanks to improving overseas demand, giving officials some comfort as they navigate numerous challenges at home to shore up an uneven economic recovery. Trade data for May is expected to show outbound shipments grew 6.0% year-on-year by value, according to the median forecast of 32 economists in a Reuters poll on Wednesday, up from the 1.5% increase recorded in April. Imports likely grew 4.2% last month, slower than the 8.4% gain seen in April. The data will be released on Friday. Over recent months, a flurry of data has shown different parts of the $18.6tn economy recovering at varying speeds. While first quarter growth blew past forecasts and strong March export and output data suggested improving global demand might aid officials' efforts to get the economy back on a more even keel, more recent indicators reflecting soft domestic consumption have eroded much of that earlier optimism. A protracted property crisis remains the biggest stumbling block to a full-blown economic revival, analysts say. At the same time, deflationary pressures continue to stalk the economy and the US and European Union are threatening China's exports with tariffs. "Global demand is giving a bigger boost to China's economy than we had anticipated this year and foreign tariffs will make little difference to aggregate export performance in the near term," said Julian Evans-Pritchard, head of China economics at Capital Economics in a note. "We now think that China's economy will expand 5.5% this year as a result," he added. The International Monetary Fund last week revised up its China growth forecast by 0.4 percentage points to 5% for 2024 and 4.5% in 2025, but warned the property sector remained a key growth risk. The trade data will likely be aided by a lower base of comparison, after rising interest rates and inflation in the US and Europe squeezed external demand last May. However, a global cyclical upturn in the electronics sector that saw South Korean exports to China - a leading indicator of China's imports - hit a 19-month high last month should also help exporters from the Asian giant. (Reuters)

Regional

- **Saudi Arabia joins BIS- and China-led central bank digital currency project -** Saudi Arabia has joined a China-dominated central bank digital currency cross-border trial, in what could be another step towards less of the world's oil trade being done in U.S. dollars. The move, announced by the Bank for International Settlements on Wednesday, will see Saudi's central bank become a "full participant" of Project mBridge, a collaboration launched in 2021 between the central banks of China, Hong Kong, Thailand and the United Arab Emirates. The BIS, a global central bank umbrella organization which oversees the project, also announced that mBridge had reached "minimum viable product" stage, meaning it will move beyond the pro type phase. Roughly 135 countries and currency unions, representing 98% of global GDP, are exploring central bank digital currencies, or CBDCs. But the new technologies they use makes cross-border movement both technically challenging and politically sensitive. "The most advanced cross-border CBDC project just added a major G20 economy and the largest oil exporter in the world," said Josh Lipsky, who runs a global CBDC tracker at the U.S.-based Atlantic Council. "This means in the coming year you can expect to see a scaling up of commodity settlement on the platform outside of dollars – something that was already underway between China and Saudi Arabia but now has new technology behind it." The mBridge transactions can use the code China's e-yuan is built on. That code is also available to the project's 26 other "observing members" that include the likes of the New York branch of the Federal Reserve, the International Monetary Fund and European Central Bank. The BIS also said the mBridge platform was now compatible with the Ethereum Virtual Machine - a piece of software that forms the backbone of the network used by the Ether cryptocurrency. "This allows it to be a testbed," it said. Supporters of CBDCs say they will modernize payments with new functionality and provide an alternative to physical cash, which seems in terminal decline. But questions remain why they represent an advance, with barely any uptake in countries such as Nigeria that have already adopted them, and both political and public pushback in some countries amid fears they could enable government snooping. As well as dominating the mBridge project, China is carrying out the world's largest domestic CBDC pilot which now reaches 260mn people and covers 200 scenarios from e-commerce to government stimulus payments. Other big emerging economies, including India, Brazil and Russia, also plan to launch digital currencies in the next 1-2 years while the ECB has begun work on a digital euro pilot ahead of a possible launch in 2028. In stark contrast, the U.S. House of Representatives passed a bill banning the Federal Reserve from creating a "digital dollar", although it still needs to pass a vote in the Senate to become law. (Zawya)

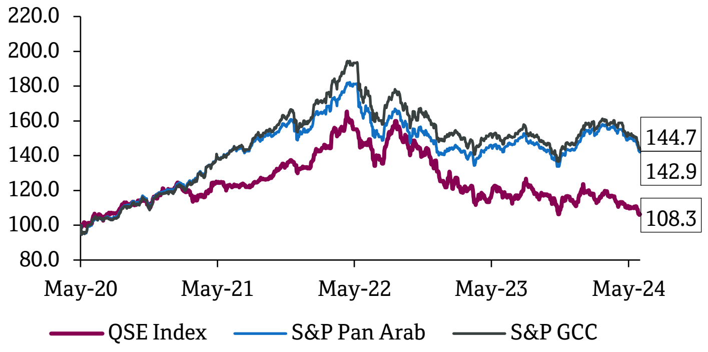
- **PMI: UAE's non-oil business growth falls as firms tackle flood disruptions -** The rate of business activity growth in the UAE's non-oil sector softened to a 16-month low in May as firms tackled disruptions from April's record flooding event, which led to the largest-ever increase in backlogs of work, according to a survey released on Wednesday. The seasonally adjusted S&P Global UAE Purchasing Managers' Index stayed unchanged from April's eight-month low of 55.3 in May. However, the reading was still above its long-run average of 54.4 and indicated a robust improvement in operating conditions. "UAE non-oil companies continued to face relentless pressure on business capacity in May, as the latest PMI survey data signaled the largest-ever increase in backlogs of work," said David Owen, senior economist at S&P Global Market Intelligence. He said that although the rise in backlogs could be partly blamed on the country's record rainfall event in April and subsequent flooding, capacity pressures were already at historic levels in March amid robust sales pipelines and supply chain challenges due to the Red Sea crisis. The survey showed that demand picked up in May after companies faced a slowdown in April due to the floods. However, despite picking up pace from one month ago, the rise in total new orders was the second weakest since August 2023, the report said. To bolster capacity, non-oil companies added staff levels in May, with the rate of job creation ticking up to a three-month high. Purchasing growth also strengthened, reaching its highest point since last November amid robust sales pipelines and output requirements. There were some reports of firms having to replenish items that were damaged during the floods. Overall input costs rose at the sharpest rate since July 2022 on rising fuel prices and higher wages, with the latter growing the fastest in just over six years. Meanwhile the firms surveyed showed improving confidence towards the future as they cited stabilizing economic conditions, higher sales, greater profits and promotional activity. Dubai PMI slips: The Dubai PMI slipped to its lowest level in 15 months to 54.7 during May from 55.1 in April, as firms reported a further slowing of activity growth. New order growth recovered modestly after hitting a 13-month low in April, as some firms reported a pick-up in client activity after flood-related disruptions. Inflationary pressures increased in May amid reports of higher prices for raw materials and petrol. Overall input costs rose at the quickest rate since July 2022, leading to the first increase in output prices during this period. "As such, the focus for the next few months looks to be the recovery of the sector from this crisis. Nonetheless, with demand still strong, firms should be in a good position to resume their robust growth once capacity has been restored," said Owen. (Zawya)
- **FT: Dubai first globally in FDI inflows into cultural, creative industries -** H.H. Sheikha Latifa bint Mohammed bin Rashid Al Maktoum, Chairperson of Dubai Culture and Arts Authority (Dubai Culture), reaffirmed the emirate's commitment to maintaining its leadership and enhancing its competitiveness as a global capital of the creative economy. In the 2023 Foreign Direct Investment (FDI) Index, Dubai ranked No. 1 globally out of 115 cities for FDI capital inflows into cultural and creative industries (CCI) projects and for creating job opportunities in these sectors. This achievement surpasses major global centers like London, New York, and Singapore. The ranking is based on data from the Financial Times' 'fDi Markets' report, the premier source for Greenfield FDI projects data, and the report's 'Creative Industries Cluster' data classification, which measures the performance of the sub-sectors that fall within the CCI. According to data from the Dubai FDI Monitor, released by the Dubai Department of Economy and Tourism (DET), Dubai succeeded in attracting 898 announced FDI projects into the cultural and creative industries in 2023, almost double the figure registered in the previous year (451), with a total FDI capital inflow of AED11.8bn, marking a 60% increase. Additionally, an estimated 21,563 new job opportunities were created through FDI in the sector in 2023, reflecting a 74% rise from the corresponding figure in 2022. Attractive ecosystem: Sheikha Latifa affirmed that Dubai has maintained its global leadership in attracting FDI into projects due to its advanced infrastructural, legislative, legal, and digital frameworks. These frameworks stimulate the investment climate and create a flexible, open, and attractive environment for businesses and capital worldwide, making it a model for fostering innovation. "Dubai has successfully established an ecosystem that attracts top skills and talent globally, enhancing its cultural diversity," Her Highness said. "This has led to exceptional intellectual cross-pollination and comprehensive, sustainable development, turning the emirate into a land of opportunity for creatives and entrepreneurs who have found promising investment opportunities here, making it the best city in the world to visit, live, work, and invest in." She added, "This is thanks to the unique approach and visionary insights of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, aimed at cementing the emirate's position as a global capital for culture, creativity, and talent." Sheikha Latifa praised the efforts contributing to Dubai's leading position globally in FDI into CCI, stating, "Dubai's ranking reflects the significant strides made by its government in promoting ease of doing business, fostering new avenues for creativity, and continuously addressing the needs of the cultural and creative industries. By streamlining procedures, the emirate enables investors, entrepreneurs, and creatives to transform their ideas into successful ventures. This not only enhances the cultural vibrancy of the emirate but also aligns with the goals of sustainable development." Helal Saeed Almarri, Director-General of Dubai Department of Economy and Tourism (DET), said, "Dubai has continued to consolidate its position as a global leader in attracting greenfield FDI, supported by robust investment and job creation across many of the city's key sectors, including the cultural and creative industries. "Supported by advanced infrastructure and well-developed regulatory and digital frameworks, this strong FDI performance is a direct result of the visionary guidance of His Highness Sheikh Mohammed bin Rashid Al Maktoum. We continue to work with stakeholders across the public and private sectors, including Dubai Culture, to identify opportunities to drive further investment into the city, and collectively achieve the objectives of the D33 Agenda." (Zawya)
- **Indian businesses top list of new companies joining Dubai Chamber of Commerce during Q1 2024 -** A recent analysis by Dubai Chamber of Commerce, one of the three chambers operating under the umbrella of Dubai Chambers, has revealed that Indian businesses topped the list of new non-Emirati companies joining the chamber during the first quarter of this year, with 4,351 new companies. The findings highlight Dubai's

strong ability to attract direct investments from India and underline the emirate's growing appeal among international businesses. Pakistan ranked second on the list with 2,222 new companies joining in Q1 2024, while Egypt followed with 1,404 new companies registering as members of the chamber. During the first quarter of the year, 736 new Syrian companies joined the chamber, placing the country fourth on the list. The United Kingdom ranked fifth with 698 new companies, while Bangladesh ranked sixth with 635 new companies during Q1 2024. Iraq secured seventh place on the list with 501 new member companies, and Sudan claimed the eighth spot with 379 new companies joining the chamber's membership. China ranked ninth on the list, with 362 new companies registering as members of the chamber, and Jordan claimed the tenth spot, with 343 new companies. In terms of the sectoral distribution of new member companies joining the chamber during Q1 2024, the trade and services sector ranked first, accounting for 42.3% of the total. The real estate, renting, and business services sector came in second place, representing 33.9% of the total. This was followed by the construction sector in the third place with 9.2%, and the transport, storage, and communications sector, which ranked fourth with 8.1%. The social and personal services sector came in fifth place with 6.5%. (Zawya)

- **Russian companies flock to UAE market -** Sergey Gorkov, Chairman of Russia-UAE Business Council, said that a surge of Russian companies, spanning a wide range of industries, have flocked to the UAE market in recent years. According to TASS news agency, Gorkov made the remarks on the sidelines of the St. Petersburg International Economic Forum which kicked off today, explaining that thousands of Russian companies are engaged in one way or another in commercial activities in the UAE in various sectors, including information technology, pharmaceuticals, manufacturing, oil & gas, and petrochemicals. He added that the Russian Federation and the United Arab Emirates are working to increase the volume of their trade exchanges, which, he said, will approach $10bn by the end of this year. The four-day 27th edition of the event runs under the theme 'The Foundations of a Multipolar World – The Formation of New Areas of Growth'. (Zawya)
- **UAE, Malaysia seek deeper trade, investment ties, as trade hits $4.7bn in 2023 -** Anwar Ibrahim, Prime Minister of Malaysia, received Dr. Thani bin Ahmed Al Zeyoudi, Minister of State for Foreign Trade, on a visit to the country designed to deepen trade and investment ties between the United Arab Emirates and Malaysia. Dr. Al Zeyoudi also held talks with Zafrul Aziz, Malaysia's Minister of Investment, Trade and Industry, in which they discussed collaboration in high-growth sectors such as technology, manufacturing, and services, and reviewed the progress of negotiations towards a Comprehensive Economic Partnership Agreement. The visit reflects the strengthening ties between the UAE and Malaysia. In 2023, the two counties shared non-oil trade worth $4.7bn dollars, maintaining the record-setting levels achieved in 2022. Al Zeyoudi stated, "Malaysia is a highly valued and long-standing trade and investment partner for the UAE, and this visit underlines the importance of face-to-face meetings as we seek to elevate our relationship. Our nations both recognize the developmental importance of open, rules-based trade and are committed to ensuring our private sectors are able to maximize the opportunities available in each other's economies. We see considerable potential for greater trade and investment flows, particularly in high-growth sectors such as energy, logistics, manufacturing and financial services, and believe we can collaborate to further develop the Halal economy. We look forward to making progress on our CEPA negotiations and securing long-term, sustainable prosperity for both our nations." Echoing these sentiments, Zafrul Aziz stated, "The UAE is an important partner for Malaysia in the Middle East with whom we share a mutual commitment to enhancing trade and investment through open and fair-trade practices. This meeting is a testament to our joint efforts to build a more robust economic relationship that will benefit both our countries and regions." Al Zeyoudi, who was accompanied by a UAE delegation that included senior officials and representatives from the private sector, then attended a business roundtable, in which he underlined the potential for collaboration, particularly in the field of energy, the automotive sector and the Halal economy. This was followed by a networking meeting between business leaders from both countries, which sought to exchange experiences and discuss potential opportunities. The UAE has been strengthening its ties with the ASEAN bloc in recent years. They have now signed Comprehensive Economic Partnership Agreements with Indonesia (July, 2022) and Cambodia (June, 2023), both of which are now in operation and helping to accelerate bilateral trade. (Zawya)
- **UAE: FTA urges license holders issued in March and April to register for Corporate Tax before 30th June, 2024 -** The Federal Tax Authority (FTA) has called on resident juridical persons subject to Corporate Tax and with licenses issued in March and April (irrespective of the license issuance year) to submit their Corporate Tax registration applications by June 30, 2024, to avoid violating tax legislation. In a press release today, the FTA emphasized the necessity to adhere to the Federal Tax Authority Decision No. (3) of 2024, effective from March 1, which established deadlines for taxpayers subject to Corporate Tax to submit registration applications. The FTA highlighted that according to Cabinet Decision No. (75) of 2023 on administrative penalties for violations of Federal Decree Law (47) of 2022 on the Taxation of Corporations and Businesses and its amendments, administrative penalties are imposed on those who fail to submit Corporate Tax registration applications within the specified timeframes outlined in the FTA's Decision. The FTA stated that the specified periods for submitting Corporate Tax registration applications include both resident and non-resident juridical persons, as well as natural persons. The FTA clarified that a resident natural person conducting business or business activities within the UAE during 2024 or subsequent years, with total earned revenues exceeding AED 1mn within a Georgian calendar year, must submit their Corporate Tax registration application by March 31 of the following Georgian calendar year. On this basis, the deadline for submitting registration applications for resident natural persons conducting business or business activity in the country during Georgian calendar year 2024 and whose total earned revenues for 2024 exceed AED 1mn is March 31, 2025 The FTA added that a non-resident natural person conducting business activities within the UAE during 2024 or subsequent years, and whose total earned revenues exceed AED 1mn, must submit their corporate tax registration application within three months of meeting the corporate tax eligibility criteria. (Zawya)
- **Kuwait okays unrestricted hiring of overseas workers -** The Public Authority for Manpower (PAM) has opened the door for the issuance of work permits by 100% for all companies, reports Al-Shahed daily. With such a decision, employers can now bring workers from abroad according to the estimated numbers. According to the decision issued by PAM, the fee specified for the issuance of a work permit is KD 150. Through this decision, PAM has canceled the previous conditions that used to classify the companies into three groups – the first group that was eligible to receive work permits for 100% of their estimated labor need, the second group that could receive work permits for 50% of their need, and the third group that could obtain work permits for 25% of their need. (Zawya)
- **Oman up 19 places in 2023 Global Youth Development Index -** Oman has leapfrogged to 33rd rank in the 2023 Global Youth Development Index, moving up 19 places from 52nd in the last index compiled in 2020. The sultanate performs well in the domains of Employment and Opportunity, and Peace and Security, ranking 15th and ninth respectively. The Global Youth Development Index (YDI), a collaboration between the Commonwealth Secretariat and the Institute for Economics and Peace, assesses youth well-being and empowerment across 183 countries, including 50 of the 56 Commonwealth countries. It covers six domains of youth development: Education, Employment and Opportunity, Equality and Inclusion, Health and Wellbeing, Peace and Security, and Political and Civic Participation. Changes in 27 indicators across the six domains were tracked over a 12-year period from 2010 to 2022. The 2023 YDI reflects data till the previous year. In the Equality and Inclusion domain, Oman ranked 20th, 52nd in Education, 119th in Health and Wellbeing, and 104th in Political and Civic Participation. In the GCC, UAE leads ranked 26th, followed by Bahrain at 32nd, Qatar 33rd, Kuwait 40th and Saudi Arabia 46th. Globally, Singapore had the highest level of youth development in the 2023 YDI, followed by Denmark, Portugal, Iceland and Slovenia. Afghanistan had the lowest level, followed by Central African Republic, Niger, Chad and Somalia. Of the 183 countries included in the index, 166 – or 90.7% – recorded improvements over the 12-year period. The five countries recording the greatest improvements from 2010 to 2022 were Haiti, Côte d'Ivoire, Myanmar, Indonesia and Burkina Faso. Niger,

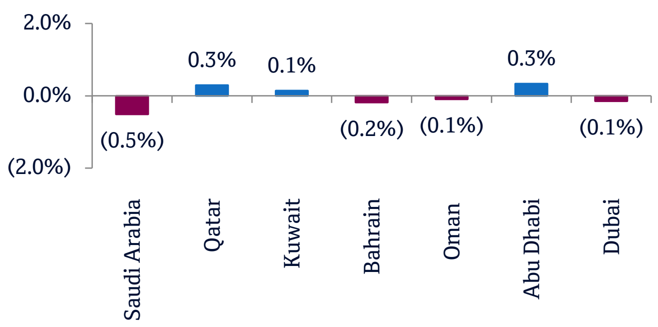
South Sudan, Syria, Yemen and Angola recorded the largest deteriorations. On average, the top five most improved countries saw their scores increase by 13%, while the five largest fallers saw an average deterioration of 4%. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	2,355.32	1.2	1.2	14.2
Silver/Ounce	30.01	1.7	(1.3)	26.1
Crude Oil (Brent)/Barrel (FM Future)	78.41	1.1	(3.9)	1.8
Crude Oil (WTI)/Barrel (FM Future)	74.07	1.1	(3.8)	3.4
Natural Gas (Henry Hub)/MMBtu	2.27	(11.7)	30.1	(12.0)
LPG Propane (Arab Gulf)/Ton	67.60	1.2	(4.7)	(3.4)
LPG Butane (Arab Gulf)/Ton	61.60	0.2	(4.6)	(38.7)
Euro	1.09	(0.1)	0.2	(1.5)
Yen	156.11	0.8	(0.8)	10.7
GBP	1.28	0.1	0.4	0.4
CHF	1.12	(0.4)	1.0	(5.8)
AUD	0.66	(0.0)	(0.1)	(2.4)
USD Index	104.27	0.2	(0.4)	2.9
RUB	110.69	0.0	0.0	58.9
BRL	0.19	(0.2)	(1.0)	(8.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,483.40	0.9	1.1	9.9
DJ Industrial	38,807.33	0.2	0.3	3.0
S&P 500	5,354.03	1.2	1.4	12.2
NASDAQ 100	17,187.90	2.0	2.7	14.5
STOXX 600	521.23	0.7	0.7	6.9
DAX	18,575.94	0.8	0.6	8.9
FTSE 100	8,246.95	0.1	0.0	6.8
CAC 40	8,006.57	0.7	0.3	4.2
Nikkei	38,490.17	(1.7)	0.7	3.8
MSCI EM	1,062.79	1.0	1.3	3.8
SHANGHAI SE Composite	3,065.40	(0.9)	(0.8)	1.0
HANG SENG	18,424.96	(0.1)	2.0	8.1
BSE SENSEX	74,382.24	3.5	0.7	2.8
Bovespa	121,407.33	(0.4)	(1.6)	(17.0)
RTS	1,140.29	0.8	1.3	5.2

Source: Bloomberg ($ adjusted returns if any)*

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