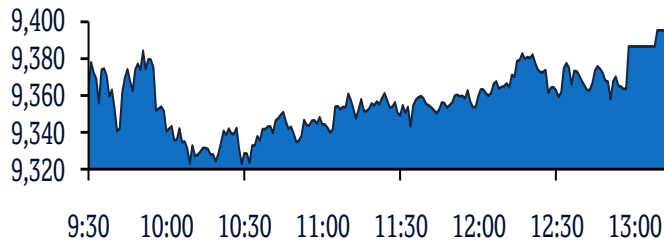


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.3% to close at 9,396.4. Gains were led by the Industrials and Consumer Goods & Services indices, gaining 1.1% and 0.7%, respectively. Top gainers were Qatari German Company for Medical Devices and Dlala Brokerage & Investment Holding Co., rising 10.0% and 9.9%, respectively. Among the top losers, Qatar Industrial Manufacturing Co. fell 4.9%, while Doha Bank was down 3.4%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.5% to close at 7,417.3. Gains were led by the Capital Goods and Diversified Fin. indices, rising 2.6% and 2.4%, respectively. National Co for Glass and Al-Omran Industrial Trading were up 10.0% each.

**Dubai:** The DFM Index gained 1.1% to close at 2,088.5. The Consumer Staples and Discretionary index rose 3.8%, while the Banks index gained 2.5%. Emirates NBD rose 5.9%, while DXB Entertainments was up 4.2%.

**Abu Dhabi:** The ADX General Index gained 0.4% to close at 4,256.7. The Investment & Financial Services index rose 3.1%, while the Banks index gained 1.2%. Eshraq Investments rose 14.9%, while Al Qudra Holding was up 14.1%.

**Kuwait:** The Kuwait All Share Index fell 0.2% to close at 4,980.9. The Telecom. index declined 1.0%, while the Real Estate index fell 0.9%. Al Tamdeen Investment Company declined 9.6%, while Al-Massaleh Real Estate Company was down 5.3%.

**Oman:** The MSM 30 Index gained 0.5% to close at 3,477.0. Gains were led by the Financial and Services indices, rising 0.7% and 0.5%, respectively. Al Sharqiya Investment Holding Co. rose 4.6%, while Oman United Insurance Co. was up 4.0%.

**Bahrain:** The BHB Index gained 0.7% to close at 1,302.9. The Commercial Banks index rose 1.3%, while the Investment index gained 0.1%. Ahli United Bank rose 2.3%, while BBK was up 1.0%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	2.25	10.0	30,650.4	285.9
Dlala Brokerage & Inv. Holding Co.	1.53	9.9	15,647.4	149.9
Medicare Group	7.44	5.9	6,687.2	(11.9)
Qatari Investors Group	2.19	3.8	3,546.6	22.3
INMA Holding	3.96	3.7	4,586.8	108.4

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminium Manufacturing	0.84	(1.8)	40,361.3	7.3
Qatari German Co for Med. Devices	2.25	10.0	30,650.4	285.9
Investment Holding Group	0.50	(0.6)	26,081.8	(11.3)
Ezdan Holding Group	1.39	1.8	23,990.8	126.0
Baladna	1.60	0.2	23,182.7	60.0

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,396.40	0.3	0.9	4.4	(9.9)	159.78	150,173.3	15.1	1.4	4.3
Dubai	2,088.54	1.1	1.7	1.1	(24.5)	66.74	80,715.1	6.9	0.7	4.6
Abu Dhabi	4,256.66	0.4	(0.4)	(0.7)	(16.1)	28.06	162,178.7	14.1	1.3	6.0
Saudi Arabia	7,417.26	0.5	(0.1)	2.7	(11.6)	1,746.97	2,231,258.2	22.3	1.8	3.5
Kuwait	4,980.88	(0.2)	(1.3)	(2.9)	(20.7)	79.21	92,505.4	14.6	1.1	4.0
Oman	3,476.95	0.5	0.8	(1.1)	(12.7)	3.94	15,833.4	10.0	0.8	6.8
Bahrain	1,302.90	0.7	0.0	2.0	(19.1)	2.80	19,602.4	9.7	0.8	5.4

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

Market Indicators	21 Jul 20	20 Jul 20	%Chg.
Value Traded (QR mn)	584.6	480.7	21.6
Exch. Market Cap. (QR mn)	549,481.4	546,871.6	0.5
Volume (mn)	286.8	234.7	22.2
Number of Transactions	11,899	9,329	27.5
Companies Traded	45	45	0.0
Market Breadth	26:17	26:18	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,064.27	0.3	0.9	(5.8)	15.1
All Share Index	2,933.76	0.3	0.8	(5.3)	16.1
Banks	4,052.06	0.1	0.5	(4.0)	13.8
Industrials	2,651.96	1.1	1.5	(9.6)	20.9
Transportation	2,856.44	(0.6)	(0.5)	11.8	13.7
Real Estate	1,616.33	0.2	2.2	3.3	16.0
Insurance	2,108.12	0.1	0.9	(22.9)	32.9
Telecoms	926.47	0.7	0.6	3.5	15.6
Consumer	7,457.58	0.7	1.3	(13.7)	21.5
Al Rayan Islamic Index	3,783.42	0.5	0.4	(4.2)	17.6

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Emirates NBD	Dubai	9.14	5.9	6,778.0	(29.7)
National Shipping Co.	Saudi Arabia	37.70	3.3	17,617.8	(5.8)
Emaar Economic City	Saudi Arabia	7.16	2.7	5,319.5	(25.0)
Ethihad Etisalat Co.	Saudi Arabia	27.60	2.6	4,763.0	10.4
Industries Qatar	Qatar	8.10	2.5	3,376.5	(21.2)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Mabane Co.	Kuwait	0.59	(2.7)	2,609.1	(31.4)
Co. for Cooperative Ins.	Saudi Arabia	81.40	(1.8)	152.3	6.1
Saudi Arabian Fertilizer	Saudi Arabia	77.30	(1.8)	197.8	(0.3)
Aldar Properties	Abu Dhabi	1.72	(1.7)	6,435.8	(20.4)
Gulf Bank	Kuwait	0.20	(1.5)	5,014.2	(35.6)

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%
Qatar Industrial Manufacturing	2.75	(4.9)	75.8	(22.9)
Doha Bank	2.40	(3.4)	3,007.5	(5.1)
Qatar Aluminium Manufacturing	0.84	(1.8)	40,361.3	7.3
Qatar Navigation	5.90	(1.5)	405.7	(3.3)
Gulf Warehousing Company	5.00	(1.0)	525.4	(8.8)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.15	0.3	69,072.6	(11.9)
Qatari German Co for Med. Dev.	2.25	10.0	67,487.8	285.9
Medicare Group	7.44	5.9	48,521.3	(11.9)
Baladna	1.60	0.2	36,629.2	60.0
Qatar Aluminium Manufacturing	0.84	(1.8)	33,733.5	7.3

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index rose 0.3% to close at 9,396.4. The Industrials and Consumer Goods & Services indices led the gains. The index rose on the back of buying support from Foreign shareholders despite selling pressure from Qatari, GCC and Arab shareholders.
- Qatari German Company for Medical Devices and Dlala Brokerage & Investment Holding Company were the top gainers, rising 10.0% and 9.9%, respectively. Among the top losers, Qatar Industrial Manufacturing Company fell 4.9%, while Doha Bank was down 3.4%.
- Volume of shares traded on Tuesday rose by 22.2% to 286.8mn from 234.7mn on Monday. However, as compared to the 30-day moving average of 290.7mn, volume for the day was 1.3% lower. Qatar Aluminium Manufacturing Company and Qatari German Company for Medical Devices were the most active stocks, contributing 14.1% and 10.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	50.31%	48.29%	11,813,424.8
Qatari Institutions	16.29%	19.21%	(17,083,364.6)
<b>Qatari</b>	<b>66.60%</b>	<b>67.50%</b>	<b>(5,269,939.8)</b>
GCC Individuals	0.64%	0.88%	(1,397,710.1)
GCC Institutions	0.57%	1.37%	(4,688,372.7)
<b>GCC</b>	<b>1.21%</b>	<b>2.25%</b>	<b>(6,086,082.9)</b>
Arab Individuals	10.91%	11.72%	(4,725,658.9)
Arab Institutions	0.01%	-	83,808.0
<b>Arab</b>	<b>10.92%</b>	<b>11.72%</b>	<b>(4,641,850.9)</b>
Foreigners Individuals	3.42%	3.10%	1,871,599.8
Foreigners Institutions	17.86%	15.44%	14,126,273.7
<b>Foreigners</b>	<b>21.28%</b>	<b>18.54%</b>	<b>15,997,873.5</b>

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

## Earnings Releases, Global Economic Data and Earnings Calendar

### Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2020	% Change YoY	Operating Profit (mn) 2Q2020	% Change YoY	Net Profit (mn) 2Q2020	% Change YoY
United Wire Factories Co.	Saudi Arabia	SR	194.2	34.8%	14.6	94.7%	12.2	103.3%
Sumou Real Estate Co.*	Saudi Arabia	SR	49.9	-26.0%	36.5	19.0%	36.0	18.7%
Aldrees Petroleum and Transport Services Co.	Saudi Arabia	SR	719.3	-45.8%	7.4	-77.6%	14.4	-16.8%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (\*Financial for 6M2020)

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/21	Japan	Ministry of Internal Affairs and Communications	Natl CPI YoY	Jun	0.10%	0.10%	0.10%

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

### Earnings Calendar

Tickers	Company Name	Date of reporting 2Q2020 results	No. of days remaining	Status
QNCD	Qatar National Cement Company	22-Jul-20	0	Due
QIIK	Qatar International Islamic Bank	22-Jul-20	0	Due
KCBK	Al Khalij Commercial Bank	23-Jul-20	1	Due
CBQK	The Commercial Bank	23-Jul-20	1	Due
QAMC	Qatar Aluminum Manufacturing Company	23-Jul-20	1	Due
WDAM	Widam Food Company	23-Jul-20	1	Due
NLCS	Aljjarah Holding	23-Jul-20	1	Due
QATI	Qatar Insurance Company	26-Jul-20	4	Due
QFBQ	Qatar First Bank	27-Jul-20	5	Due
BRES	Barwa Real Estate Company	27-Jul-20	5	Due
QIMD	Qatar Industrial Manufacturing Company	27-Jul-20	5	Due
IQCD	Industries Qatar	27-Jul-20	5	Due
DHBK	Doha Bank	27-Jul-20	5	Due
QGRI	Qatar General Insurance & Reinsurance Company	28-Jul-20	6	Due
VFQS	Vodafone Qatar	28-Jul-20	6	Due
MCGS	Medicare Group	28-Jul-20	6	Due
QISI	Qatar Islamic Insurance Group	28-Jul-20	6	Due
ORDS	Ooredoo	28-Jul-20	6	Due
AHCS	Aamal Company	29-Jul-20	7	Due
UDCD	United Development Company	29-Jul-20	7	Due

Tickers	Company Name	Date of reporting 2Q2020 results	No. of days remaining	Status
BLDN	Baladna	5-Aug-20	14	Due
AKHI	Al Khaleej Takaful Insurance Company	5-Aug-20	14	Due
QGMD	Qatari German Company for Medical Devices	9-Aug-20	18	Due
IGRD	Investment Holding Group	10-Aug-20	19	Due
SIIS	Salam International Investment Limited	10-Aug-20	19	Due
DBIS	Dlala Brokerage & Investment Holding Company	11-Aug-20	20	Due
MCCS	Mannai Corporation	11-Aug-20	20	Due
QCFS	Qatar Cinema & Film Distribution Company	12-Aug-20	21	Due
MERS	Al Meera Consumer Goods Company	12-Aug-20	21	Due
GISS	Gulf International Services	12-Aug-20	21	Due
MPHC	Mesaieed Petrochemical Holding Company	13-Aug-20	22	Due

Source: QSE

## News

### Qatar

- GWCS posts 6.0% YoY decrease but 17.4% QoQ increase in net profit in 2Q2020, in-line with our estimate** – Gulf Warehousing Company's (GWCS) net profit declined 6.0% YoY (but rose 17.4% on QoQ basis) to QR59.2mn in 2Q2020, in-line with our estimate of QR57.0mn (variation of +3.9%). The company's Revenue came in at QR302.3mn in 2Q2020, which represents an increase of 2.2% YoY (+2.1% QoQ). EPS amounted to QR0.10 in 2Q2020 as compared to QR0.11 in 2Q2019 (and QR0.09 in 1Q2020). In 1H2020, GWCS has posted net profit of QR109.7mn compared to net profit amounting to QR122.5mn for the same period of the previous year. GWCS' operations were able to continue unabated despite the pandemic because it had invested in a 'Business Continuity Plan' that was invoked with immediate effect upon learning of the outbreak. This helped guide the company as it adjusted to the new reality, ensuring operations ran smoothly as well as securing long-term plans' execution. "GWCS continues to prove its commitment to supporting the sector in response to the pandemic and its repercussions, offering 24/7 support crucial operations, as well as its continuing work to support the SME sector at its logistics hubs," GWCS Group's CEO, Ranjeev Menon said. GWCS' infrastructure projects continue to make progress on schedule, with both GWC UPS Distribution Center in the Qatar Free Zone and the Al Wukair Logistics Park, both underway, and the first approaching completion. The Al Wukair Logistics Park was announced at the end of 2019, a 1.5mn square meter logistics park offering warehousing, workshops, and light industry manufacturing capabilities with access to GWCS' full range of logistics offerings. (QNB FS Research, QSE, Gulf-Times.com)
- QIGD's net profit declines 63.4% YoY and 55.1% QoQ in 2Q2020** – Qatari Investors Group's (QIGD) net profit declined 63.4% YoY (-55.1% QoQ) to QR12.0mn in 2Q2020. The company's Revenue came in at QR147.7mn in 2Q2020, which represents a decrease of 3.7% YoY (-19.3% QoQ). In 1H2020 QIGD reported net profit of QR38.8mn compared to net profit amounting to QR84.4mn for the same period of the previous year. EPS amounted to QR0.03 in 1H2020 as compared to QR0.07 in 1H2019. (QSE)
- DBIS to disclose 2Q2020 financials on August 11** – Dlala Brokerage & Investment Holding Company (DBIS) will disclose the financial reports for the period ending June 30, 2020 on August 11, 2020. (QSE)
- QSE looking at dual listing of ETFs on Nasdaq** – Qatar Stock Exchange (QSE) is contemplating dual listing of the exchange traded funds (ETFs) on Nasdaq, a move that could widen investor base and improve the security's liquidity. In this regard, the QSE, which already has two ETFs listed, and another two in the pipeline, had recently explored cooperating with the US-based Nasdaq, it is learnt. At present, the two ETFs listed on the QSE are QATR, sponsored by Masraf Al Rayan and tracking Shari'ah-principled stocks, and QETF, sponsored by Doha Bank and tracking the bourse's 20-stock barometer. QATR comes as part of Qatar's drive to enhance foreign investment from Southeast Asia, the UK and Europe. The QSE began launching alternative investment products with the introduction of two ETFs, which were met with high international demand with two more on the horizon. The QSE was earlier in talks with an Asian borrower for an ETF based on sovereign fixed income risk. The asset management landscape in Qatar largely centered on mutual funds in the past, but the introduction of ETFs over the last two years have transformed the composition of the market, said a joint report by the Qatar Financial Centre (QFC) and Refinitiv. (Gulf-Times.com)
- Fugro delivers phase one of Qatargas North Field survey** – Fugro has completed the first phase of their multidisciplinary offshore site investigation for Qatargas' North Field Production Sustainability's Compression Phase. The fieldwork started in March and, while phase one marks completion of the geophysical scope, the geotechnical scope in phase two will run as planned until August this year. The fieldwork is being performed by in-country project teams from Fugro's dedicated vessels Proteus and Adventurer and includes cone penetration testing and P-S logging results. The final deliverables – comprising a bathymetric and geophysical survey and a geotechnical appraisal of the soils encountered – will be used to optimize jacket platform pile foundation design, and pipeline and cable-route engineering, in Qatar's North Field. Gerard Ferreira, Fugro's Director for Marine Geophysics in the Middle East, said, "Continuing from previous projects for Qatargas' North Field Production, this latest project benefits from more efficient processing and in-country mobilization of assets, demonstrating how we constantly strive to improve our services for clients such as Qatargas to provide sustainable solutions in an ever-changing industry." The North Field is the largest non-associated gas field in the world and is located 80 nautical miles off the north coast of Qatar. (Bloomberg)

- Ooredoo highlights steps taken to meet increase in demand** – Ooredoo has detailed how it responded to massively increased demands on its network during the COVID-19 lockdown period. Recent statistics highlighted the phenomenal increase in customer demands on networks during the lockdown; a much greater number of voice calls with each call lasting twice as long, an 11,000% increase in video calls, 3,500% growth in online learning sessions and a five-fold increase in the number of gamers taking part in online contests, Ooredoo said in a statement yesterday. A video showcasing Ooredoo’s efforts to meet this huge increase in demand details its response to the demand from a network perspective; network upgrades and capacity boosts at hundreds of sites across the country coped with the demand for more and longer voice calls, while additional mobile towers near field hospitals ensured patients could keep in touch with loved ones. Internet speeds were doubled, free of charge, across homes and businesses so that customers could stay connected, informed and entertained, the statement noted. Engineers worked round-the-clock to ensure a reliable network for the millions of group video calls, and networks were optimized in order for educational establishments to continue providing lessons to the many students learning from home. (Gulf-Times.com)
- Al Baker: Qatar Airways will not make profit for at least three years** – Qatar Airways’ CEO, Akbar Al Baker in ‘Aviation Week’ webinar said that Qatar Airways won’t make profit for at least three years. The carrier sees return to profitability only once impact of virus wanes. The carrier has been losing money since fiscal 2017 amid Saudi-led airspace ban. Qatar Airways delaying jet deliveries but won’t scrap orders; plans to take delivery of first Boeing Co. 777X in 2022. State-owned airline has surviving on credit lines, cash reserves. Al Baker said M&A on hold but Rwandair investment unaffected. Al Baker added, “New seat planned for narrow-body aircraft to provide privacy and full-flat comfort.” (Bloomberg)
- CWQ: Quarantine rule to give a boost to Qatar's hospitality industry in 3Q2020** – The mandatory two-week hotel quarantine for anyone entering Qatar is expected to give a boost to the country's hospitality industry in the third quarter and the sector focus will be to reinstate and build on the pre-COVID-19 figures in 2021, according to Cushman and Wakefield Qatar (CWQ). In its latest report, CWQ said the third phase of the ‘post-COVID-19 re-opening’ of Qatar will include a mandatory two weeks’ stay at designated quarantine hotels for anyone entering the country. “This may provide a small boost to occupancy numbers in the third quarter; however, we don’t expect signs of a real recovery in the sector before the fourth quarter (4Q),” it said. ‘Staycations’ would also support occupancy and food and beverage operations as residents/citizens are unable to travel during the summer months, it said, adding beachfront hotels would be able to capitalize on the limitations of travelling abroad. The CWQ report said predictions that revenues from events, conference, F&B will take longer to return to previous levels. While there were no new hotel openings in 2Q2020, the Gloria Hotel in Al Mirqab district of Doha sold at a price that reflected about QR680,000 per key (169 rooms). Following a positive start to 2020, which saw a YoY increase in occupancy in January and February, performance metrics tumbled in March after the introduction of lockdown measures, it said. The industry focus will be to reinstate and build on the pre-COVID-19 figures in 2021, the report said. There were 27,598 keys in 132 establishments by July 2020. While construction has continued on the pipeline supply of about 20,000 new keys, “we expect the launch of several establishments, planned for 2020, to be pushed back to 2021,” CWQ said. (Gulf-Times.com)
- Qatar Investment Authority takes stake in vaccine-maker CureVac** – German biotech company CureVac said Qatar Investment Authority (QIA) has taken an undisclosed stake in the firm as part of \$126mn financing round, the latest high-profile investor to come onboard ahead of a potential stock market listing. Tuesday's announcement is the fourth injection of funding in two months and comes just a day after British pharmaceutical company GSK bought a 10% stake in return for \$171mn investment. The German government also made \$343mn investment in June in return for a 23% holding in the firm, taking the total investment from a private financing round to \$640mn, CureVac said. The Tuebingen-based company, which is backed by Microsoft billionaire Bill Gates, also secured 75mn Euro (\$85.79mn) loan from the European Investment Bank earlier this month. CureVac said the \$126mn was raised from QIA and a group of existing and new investors. A spokesman declined to say how much came from QIA or give details on the size of the Qatari's stake. (Zawya, Reuters)
- Quarantine rules for arriving persons eased and citizens, permanent residents can travel & return anytime** – As part of lifting the COVID-19 restrictions gradually, the government has announced changes to the quarantine requirements for incoming passengers after reviewing the travel policy announced earlier. The changes come into effect today. A statement issued by the Government Communications Office (GCO) said the revision was based on public health indicators in Qatar as well as around the world. From today, passengers arriving in Doha from low-risk countries are required to take a coronavirus test upon arrival at the airport and sign a formal pledge to adhere to quarantine at home for a week. The traveler’s status on the Ehteraz application will be yellow, which means that they are required to quarantine. After the week has elapsed, the person must go to one of the dedicated health centers to get another coronavirus test. If the result is positive, the person will be transferred to isolation, and if it is negative, the quarantine period ends and the status on the Ehteraz application will change to green. It should be noted that the list of low-risk countries will be published on the Ministry of Public Health’s website and announced by the Civil Aviation Authority. The list of low-risk countries will be reviewed every two weeks. If there are accredited COVID-19 testing centers in one of these low risk countries, obtaining a COVID-free certificate from one of these centers exempts the traveler from taking the test at the airport upon arrival in the country, provided that the date of obtaining the certificate does not exceed 48 hours before travelling. Qatar citizens and permanent residency holders can travel outside the country and return at any time, and residents will be allowed to return starting August 1, the state news agency said on Twitter, quoting a statement from the government communication office. (Gulf-Times.com, Bloomberg)



## International

- **Pompeo says hopes for quick free trade deal with UK** – The US and Britain still have more work to do on a free trade deal, US Secretary of State Mike Pompeo said on Tuesday during a visit to London, adding that he hoped a deal could be finalized before too long. “A third round (of negotiations) scheduled for later this month, a primary focus for the United States is to see that we can make progress on this and bring this to a closure just as quickly as possible,” he said during a brief news conference with his British counterpart Dominic Raab. “I spoke with the prime minister this morning about this, and I hope that we can get it finalized before too long,” said Pompeo. (Reuters)
- **UK borrows record 128bn Pounds in three months to June** – British government borrowing surged to a record 128bn Pounds (\$162bn) in the first three months of the 2020/21 financial year, when COVID-19 lockdown measures were tightest, more than double the entire previous year’s borrowing. Most economists think British government borrowing this year will be its largest since World War Two relative to the size of the economy. Borrowing in June, excluding state-owned banks, was 35.5bn Pounds, the government statistics office said. That was five times more than a year earlier though below economists’ average forecast of 41.5bn Pounds in a Reuters poll, following a big downward revision for May. April, May and June made up the three highest months of borrowing in Britain’s history, even though spending on job support was lower than first estimated, and tax revenues higher, the Office for National Statistics said. Following the figures, finance minister Rishi Sunak restated his intention to put the public finances on a more sustainable footing over the medium term, and launched a much-delayed long-term review into government spending. But analysts doubt the economy will be strong enough for him to start tightening fiscal policy later this year. (Reuters)
- **Sunak launches comprehensive review of government spending** – British Finance Minister Rishi Sunak on Tuesday launched a comprehensive review of government spending for the coming years. The review will set resource budgets for government departments from the 2021/22 financial year through to 2023/24, as well as for capital spending until 2024/25, the finance ministry said in a statement. The budgets will grow in real terms over the spending review period, the finance ministry said. “We will honor the commitments made in the March Budget to rebuild, level up and invest in people and places spreading opportunities more evenly across the nation,” Sunak said. The finance ministry said the date for the end of the review will be confirmed in due course. (Reuters)
- **Britain's grocery sales growth slows as lockdown eased** – Grocery sales in Britain rose 10% YoY in the four weeks to July 11, slowing from previous weeks as COVID-19 restrictions were eased to allow hospitality and leisure outlets to reopen in England, industry data showed on Tuesday. Market researcher Nielsen said the growth was down from 14% in last month’s report. The government allowed pubs, cafes and restaurants in England to reopen on July 4, giving people an alternative to eating at home. Nielsen said online grocery purchases leapt 115% YoY, accounting for a record 14% of all grocery spending in the UK. Looking at the full 16 week UK lockdown period, Nielsen said shoppers spent a total of 49bn Pounds (\$62bn) on groceries, tobacco and general merchandise - an extra 3.2bn Pounds compared with the same period last year. Shopping habits also changed, with the number of visits down but the amount spent on each visit up. Also of the incremental spend, 47% of it was made at convenience stores, Nielsen found. (Reuters)
- **Britain to provide 350mn Pounds to help industry cut carbon emissions** – The British government will make 350 million pounds (\$445 million) available to support industry efforts to cut carbon emissions and drive an economic recovery from the coronavirus crisis. The investment package will help businesses decarbonize across the heavy industry, construction, space and transport sectors, the government said on Tuesday. It includes funding for supporting a switch from gas to clean hydrogen for fuel-heavy industry, projects to scale up carbon capture and storage, new building techniques in the construction industry and research into more efficient electric motors. “This funding will reduce emissions, create green collar jobs and fuel a strong, clean economic recovery – all essential to achieving net zero emissions by 2050,” UK business and energy secretary, Alok Sharma said. The announcement comes ahead of the launch of the first meeting of the Jet Zero Council, which will bring together government, representatives from the environmental sector and the aviation and aerospace industry to tackle aviation emissions. (Reuters)
- **XpertHR: More UK employers freeze pay in COVID fallout** – More British employers are freezing staff pay or postponing annual wage settlements as they deal with the economic fallout from the coronavirus lockdown, a survey showed on Tuesday. Human resources data provider XpertHR said 16% of pay deals in the three months to the end of June offered no increase in wages - up from 15% in the three months to May and around double the proportion in the three months to April. “Many organizations are deferring a decision on their April pay award until later in the year, but indications are that many of these will come back and implement a pay freeze,” XpertHR pay and benefits editor Sheila Attwood said. In the three months to the end of June, XpertHR recorded a 2.2% median basic pay award across the economy, unchanged from the previous period, based on a sample of 256 basic pay awards. (Reuters)
- **EU reaches historic deal on pandemic recovery after fractious summit** – European Union (EU) leaders clinched an historic deal on a massive stimulus plan for their coronavirus-throttled economies in the early hours of Tuesday, after a fractious summit lasting almost five days. The agreement paves the way for the European Commission, the EU’s executive, to raise billions of euros on capital markets on behalf of all 27 states, an unprecedented act of solidarity in almost seven decades of European integration. Many had warned that a failed summit amid the coronavirus pandemic would have put the bloc’s viability in serious doubt after years of economic crisis and Britain’s recent departure. World shares climbed to their highest since February and the euro briefly hit its strongest since March on news of the deal. “This agreement sends a concrete signal that Europe is a force for action,” a jubilant Michel told reporters. French President Emmanuel Macron, who spearheaded a push for the deal with German Chancellor Angela Merkel, hailed it as truly historic. Leaders hope the

750bn Euro (\$857.33bn) recovery fund and its related 1.1tn Euro 2021-2027 budget will help repair the continent's deepest recession since World War Two after the coronavirus outbreak shut down economies. Germany Economy Minister Peter Altmaier said that, with the agreement, the chances of "a cautious, slow recovery" in the second half of this year had increased enormously. While strong in symbolism, the deal came at the cost of cuts to proposed investment in climate-friendly funds and did not set conditions for disbursements to countries, such as Hungary and Poland, seen as breaching democratic values. (Reuters)

- EU fund seen as turning point for Eurozone financial assets** – Investors cheered a key step toward fiscal integration in the European Union via a new recovery fund agreed on Tuesday, seeing it as a turning point for the region's financial assets plagued for years by debt crises and a north-south divide. The 750bn Euro (\$864.68bn) fund had been hailed as a game changer and unprecedented act of solidarity in almost seven decades of European convergence. The move helped the single currency hit one-and-a-half-year highs. For years, threats like Greece's debt crisis and a eurosceptic populist government in Italy had stirred fear among investors that the end could be near for the Eurozone. So it was no surprise that the euro and Italian government bonds - assets that have taken a beating whenever those threats flared up - shined on hopes of European fiscal integration. Investors say the landmark deal to rescue EU economies from the coronavirus crisis bodes well for the euro and the bloc's equities, while Italy's soaring debt levels could cap further gains in Italian government bonds (BTPs). (Reuters)
- Political capital from EU recovery deal dwarfs cash prize** – The economic recovery package agreed on Tuesday after a marathon EU summit ticks most of the political boxes sketched out by the bloc's jubilant leaders - but its financial achievements appear far less substantial. After 90 hours of quarrelling and haggling between richer northern and poorer southern states over the deal's scope, the big prize for countries worst-hit by the coronavirus pandemic was a package of 312bn Euros (\$357bn) in non-repayable grants. But this amounts to only some 0.75% of European Union GDP a year over 2021-23, when the funds are meant to be allocated - at a time when its economies are shrinking at more than ten times that rate. The actual value of disbursements over the next two-and-a-half years, when recovery needs will be greatest, is likely to be lower still. Because the 27-nation club is a slow-moving machine, less than a quarter of the grants will be allocated then, the Bruegel Brussels think tank estimates. (Reuters)
- Germany: EU summit deal increases chances of economic recovery in second half** – The likelihood of a gradual economy recovery taking place in the second half of 2020 has increased thanks to European Union leaders agreeing on a huge stimulus plan for their economies hit by coronavirus, German Economy Minister Peter Altmaier said. Speaking to reporters on Tuesday, he said the deal was good news for millions of people in Germany and Europe, adding: "The chance that we'll experience a cautious, slow recovery in the second half of the year, from around the end of October, has enormously increased." He predicted a sustainable recovery in 2021 and 2022, adding that he expected all European countries to return to growth in 2021.

EU leaders hope the 750bn Euro (\$857.85bn) recovery fund and its related 1.1tn Euro 2021-2017 budget will help the continent weather its deepest recession since World War Two after the coronavirus outbreak shut down entire economies. (Reuters)

- PMI: Japan's July factory activity extends declines into third quarter as demand sags** – Japan's factory activity contracted for a 15th straight month in July, indicating the economic pain from the coronavirus crisis extended into the third quarter of the year as hopes for a quick global recovery fade. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) rose to a seasonally adjusted 42.6 from a final 40.1 in June, as broader conditions remained fragile though the pace of decline was the slowest in four months. "The Japanese economy continued to struggle at the start of the third quarter," said Joe Hayes, economist at IHS Markit, which compiles the survey. "While the easing of emergency measures provided some relief, especially to the domestic sector, Japan's growth continued to be adversely affected by subdued global trade flows and restrictions on travel." The PMI survey showed that the manufacturing index stayed below the 50.0 threshold that separates contraction from expansion for a 15th month, with overall output, new orders and employment all in decline again. Japan's economy is forecast to shrink 5.3% this fiscal year, the largest contraction since comparable data became available in 1994, followed by a 3.3% bounce next year, a Reuters poll of over 30 economists showed. Exports in June plunged at a double-digit pace for the fourth straight month, data showed on Monday, backing signs that a slump in global demand for durable goods since March due to the pandemic has thrown the economy into a deep recession. The PMI survey also showed weakness in service-sector activity, which saw outstanding business, business expectations and employment conditions contract. The au Jibun Bank Flash Services PMI index remained largely flat at 45.2 on a seasonally adjusted basis compared to June's final of 45.0. The au Jibun Bank Flash Japan Composite PMI, which includes both manufacturing and services, stood at a five-month high of 43.9 in July, up from June's final of 40.8. (Reuters)
- President Xi: China will strive to make up economic losses caused by coronavirus** – China will strive to make up economic losses caused by the coronavirus epidemic and achieve good results for growth this year, President Xi Jinping said on Tuesday, according to state TV. The government will make fiscal policy more proactive, and prudent monetary policy more flexible, China Central Television cited Xi as saying in a meeting with corporate representatives from Hikvision, Goertek, Panasonic China and others. Xi said China will fully take advantage of its huge market in the face of rising protectionism, a slowing global economy and shrinking global demand, according to the report. (Reuters)

#### Regional

- S&P report says GCC corporates face twin shocks** – S&P has seen an abrupt and severe global credit downturn caused by the COVID-19 pandemic, with corporates and infrastructure players in the GCC countries feeling the effects, according to a new report. "Since mid-March, we have taken negative rating actions on 16 rated regional players, mostly amid increased pressure from the global pandemic and a sharp fall in

hydrocarbon prices, and significantly lowered our economic growth forecasts for the GCC countries," S&P Credit Analyst, Timucin Engin said. S&P now expects a mid-to-high single digit real GDP contraction for most rated GCC sovereigns in 2020 and operating conditions to remain weak over the next few quarters. As a result, most regional companies' earnings and revenue will be hit, and S&P has even slightly lowered topline forecasts for relatively more resilient sectors, such as telecom, due to an overall weaker macroeconomic picture and subdued population trends. "We expect Dubai real estate to remain under pressure in 2020 with only a partial potential recovery in 2021, which may be slow and painful given the significant oversupply in all segments even prior to the pandemic," S&P Credit Analyst, Sapna Jagtiani said. "We expect a more cautious spending approach from oil and gas players, with capital expenditure cuts and downward revisions from 2020 guidance already announced so far. However, GCC national oil companies should benefit from their cost advantage compared with global peers in the low oil price environment," S&P Credit Analyst, Rawan Oueidat said. "Based on these trends, we expect noticeable changes in corporate behavior as management teams tackle challenging conditions with limited visibility on the recovery path," Engin concluded. (Bloomberg)

- **Reuters poll: Gulf economies seen shrinking sharply in 2020, to pick up in 2021** – Economic activity in the Gulf will contract sharply this year before recovering in 2021, hit by the double shock of the coronavirus pandemic and an oil price crash, a quarterly Reuters poll showed on Tuesday. Analysts in the July 7-20 poll see a deep economic contraction in the hydrocarbon-producing region this year as oil prices were hit on the supply and demand sides simultaneously. Saudi Arabia's GDP was seen shrinking 5.2% this year before rebounding to 3.1% growth next year. A similar poll conducted three months ago saw the region's biggest economy and world's largest oil exporter growing 1.0% in 2020 and 2.0% in 2021. In March, a Saudi-Russian price war caused oil prices to plummet, and the OPEC and its allies subsequently implemented output cuts. "Three months ago, most forecasts didn't yet factor in the oil production cuts or the full extent of the COVID-19 fallout," Senior Economist at Oxford Economics, Maya Senussi said adding that limiting the hajj pilgrimage, an important source of tourism revenue, also weighed on Saudi Arabia's outlook. Kuwait's GDP was seen shrinking the most out of the six GCC members, contracting 6.1% in 2020 before growing 2.5% next year. Three months ago, it was seen shrinking 2.9% in 2020 and growing 2.0% next year. Medians forecast a 5.1% contraction for the UAE's economy this year and 2.6% growth in 2021. Three months ago, they expected the economy to shrink 0.4% this year. Tourism, a major source of revenue for the emirate of Dubai, has been hit hard by lockdown measures and travel restrictions. "We expect revenues for the tourism and hospitality sectors to be under particular pressure given an expected sharp decline in the visitor numbers," S&P said in a research note, adding that it continues to observe "broad-based pressures across various sectors" in the GCC. Qatar, Oman and Bahrain's outlooks also worsened for this year, with analysts expecting their economies to shrink 4.0%, 4.7% and 4.4% respectively. Their growth outlooks for 2021 improved from expectations three months ago. "While activity is now picking

up across much of the region as lockdown restrictions are relaxed, the pace of recovery in H2 and beyond may disappoint, particularly with the coronavirus set to linger," Oxford Economics said in a research note. (Reuters)

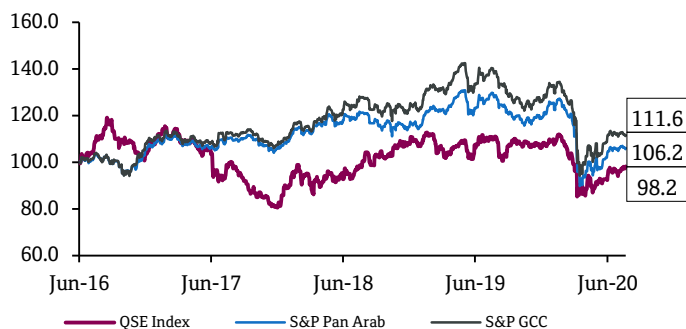
- **Arabtec unit wins Saudi Aramco contract at about SR200mn** – Target Engineering Construction has won SR200mn contract from Saudi Aramco, Arabtec said. The contract is for replacement of five storage tanks in Saudi Aramco's Ras Tanura refinery. (Bloomberg)
- **Saudi Arabia's Al Othaim Family said to plan IPO for malls unit** – Saudi Arabia's Al Othaim family plans to sell shares in its malls business in a deal that could value the company at between \$1.5bn and \$2bn, according to sources. Othaim Investment Co., which operates malls and entertainment centers in the Kingdom, appointed GIB Capital to advise on the local initial public offering, the sources said. The sale may happen in the first half of 2021, the sources said. Final decisions have not been made and the company may decide not to proceed, sources added. (Bloomberg)
- **Mobily continues to monitor situation with Huawei** – Mobily has three other suppliers for infrastructure aside from Huawei, CFO, Khaled Abanami said. It is monitoring the situation as part of risk management; the company has developed scenarios for different situations. Sees recovery in 2021; it is focusing on topline. (Bloomberg)
- **UAE's EDGE to buy Lockheed stake in military maintenance company** – UAE state defense conglomerate EDGE said on Tuesday it was taking full ownership of UAE military repair and maintenance company AMMROC by buying the 40% stake held by Lockheed Martin. Abu Dhabi-based EDGE has entered into a conditional agreement to buy the stake from Lockheed Martin and its subsidiary Sikorsky, it said in a statement. The value of the transaction was not disclosed. (Reuters)
- **Morgan Stanley sees Kuwait emerging as jumbo bond issuer** – Kuwait may issue \$15bn to \$20bn of Eurobonds annually if parliament passes a draft law allowing the government to tap local and international debt markets, according to Morgan Stanley. While investors have so far ignored Kuwait, this is set to change; the nation would likely become a top-20 issuer in EMBI with its 2020 borrowing and among the top ten eventually, along with other GCC investment-grade credits, a London-based Strategist, Jaiparan Khurana wrote in a report. "Such a quantum of issuance would likely increase both Kuwait's and MENA's importance within EMBI." (Bloomberg)
- **Oman's advisory Shura Council proposes linking VAT to growth** – Oman's Shura Council, a consultative body to the government, has agreed to a committee proposal to link value-added tax to economic growth, Omani news website WAF reported. Oman, an absolute monarchy, is one of the weakest economies in the oil-rich Gulf region and has relied on debt to shore up its finances, hit by lower oil prices and subdued demand due to the coronavirus pandemic. Rated "junk" by all three major ratings agencies, Oman is expected to implement VAT in 2021 to boost revenue, according to a bond prospectus distributed to investors last year. The Shura Council's economic and finance committee proposed implementing VAT only if a minimum 3% economic growth is achieved. It also proposed

excluding those who earn OMR900 or less a month from the tax, WAF reported. (Zawya)

- **Oman's oil exports increased 22% in June to 899k bpd** – Oman exported 899k bpd of crude oil and condensates in June, up 22% from 737k bpd in May, according to a statement issued by the country's Ministry of Oil & Gas. Oman produced 684 bpd in June, up from 679k bpd in May. Shipment destinations were as follows: China at 94%, Malaysia at 3%, India at 2% and South Korea at 1%. (Bloomberg)
- **Al Salam Bank partners with Bahrain Bourse and Central Bank of Bahrain on new Shari'ah-compliant asset-trading framework** – Al Salam Bank-Bahrain has signed an agreement with the Bahrain Bourse and Central Bank of Bahrain (CBB) to offer an innovative new Shari'ah-compliant brokerage service, which allows for the use of Bahrain-issued Ijara Sukuk as the underlying asset in Murabaha financing frameworks. The innovative new structure meets a growing demand for Shari'ah-compliant alternative financing solutions, which has prompted a rise in global Sukuk issuances. The Bahrain Bourse and CBB have partnered with banks to create a local Shari'ah compliant trading framework using CBB-issued Sukuk as the underlying asset. The new framework means local banks are no longer exclusively reliant on pre-traded commodities from overseas brokers in order to comply with Shari'ah standards. As well as cementing Bahrain's position as a regional and international hub for Shari'ah compliant financing transactions, the new service will also provide significant reductions in fees for customers and in processing time for offering banks. (Bahrain Bourse)
- **Bahrain sells BHD100mn 364-day bills; bid-cover at 1.03x** – Bahrain sold BHD100mn of 364-day bills due on July 22, 2021. Investors offered to buy 1.03 times the amount of securities sold. The bills were sold at a price of 97.277, having a yield of 2.77% and will settle on July 23, 2020. (Bloomberg)

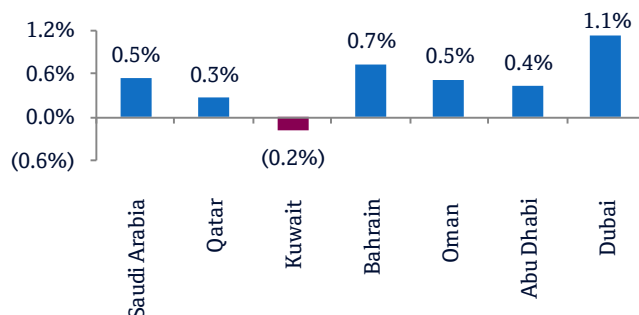


## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,841.91	1.3	1.7	21.4
Silver/Ounce	21.30	7.0	10.2	19.3
Crude Oil (Brent)/Barrel (FM Future)	44.32	2.4	2.7	(32.8)
Crude Oil (WTI)/Barrel (FM Future)	41.96	2.8	3.4	(31.3)
Natural Gas (Henry Hub)/MMBtu	1.63	(2.4)	(6.3)	(22.0)
LPG Propane (Arab Gulf)/Ton	50.88	3.8	5.4	23.3
LPG Butane (Arab Gulf)/Ton	51.75	3.5	5.1	(21.0)
Euro	1.15	0.7	0.9	2.8
Yen	106.80	(0.4)	(0.2)	(1.7)
GBP	1.27	0.6	1.3	(4.0)
CHF	1.07	0.6	0.6	3.7
AUD	0.71	1.6	1.9	1.5
USD Index	95.12	(0.7)	(0.9)	(1.3)
RUB	70.74	(0.9)	(1.6)	14.1
BRL	0.19	3.1	4.1	(22.3)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,321.55	0.4	1.2	(1.6)
DJ Industrial	26,840.40	0.6	0.6	(6.0)
S&P 500	3,257.30	0.2	1.0	0.8
NASDAQ 100	10,680.36	(0.8)	1.7	19.0
STOXX 600	376.70	1.0	1.8	(7.1)
DAX	13,171.83	1.6	2.7	2.1
FTSE 100	6,269.73	0.9	1.1	(20.1)
CAC 40	5,104.28	0.9	1.4	(12.4)
Nikkei	22,884.22	1.2	1.1	(1.3)
MSCI EM	1,085.86	2.0	2.9	(2.6)
SHANGHAI SE Composite	3,320.90	0.2	3.5	8.6
HANG SENG	25,635.66	2.3	2.2	(8.6)
BSE SENSEX	37,930.33	1.7	3.0	(12.1)
Bovespa	104,309.70	2.8	4.8	(30.2)
RTS	1,259.72	1.9	3.6	(18.7)

Source: Bloomberg (\*\$ adjusted returns)

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