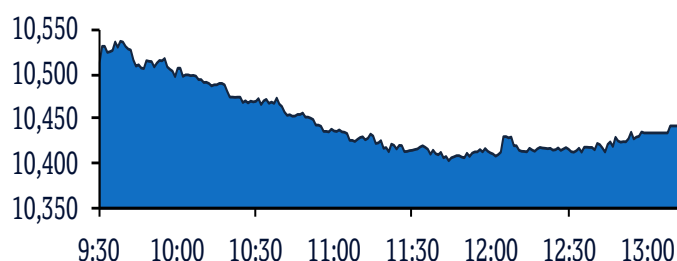


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.7% to close at 10,442.9. Losses were led by the Transportation and Banks & Financial Services indices, falling 1.4% and 1.0%, respectively. Top losers were Gulf Warehousing Company and Qatari Investors Group, falling 2.2% and 2.1%, respectively. Among the top gainers, Medicare Group gained 1.7%, while Qatar Industrial Manufacturing Company was up 1.1%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.2% to close at 8,827.0. Gains were led by the Utilities and Energy indices, rising 2.8% and 1.4%, respectively. Tabuk Cement Company rose 4.8%, while Saudi Industrial Services Company was up 4.4%.

Dubai: The DFM Index gained 0.3% to close at 2,656.2. The Real Estate & Const. index rose 1.5%, while the Consumer Staples and Discretionary index gained 0.9%. Emaar Properties rose 2.5%, while National Central Cooling Co. was up 2.4%.

Abu Dhabi: The ADX General Index gained 0.1% to close at 5,010.5. The Services index rose 5.7%, while the Insurance index gained 0.8%. National Marine Dredging Company rose 9.9%, while Abu Dhabi National Hotels Company was up 9.1%.

Kuwait: The Kuwait All Share Index gained 0.2% to close at 6,017.4. The Banks and Oil & Gas indices rose 0.4% each. Real Estate Trade Centers Company rose 9.5%, while Energy House Holding Company was up 8.7%.

Oman: The MSM 30 Index gained 0.2% to close at 3,822.8. Gains were led by the Services and Financial indices, rising 0.2% and 0.1%, respectively. National Gas rose 4.6%, while Oman Investment and Finance was up 2.3%.

Bahrain: The BHB Index fell 0.3% to close at 1,532.8. The Commercial Banks index declined 0.5%, while the other indices ended flat or in green. Zain Bahrain declined 2.3%, while Khaleeji Commercial Bank was down 1.6%.

| QSE Top Gainers | Close* | 1D% | Vol. '000 | YTD% |
|-----------------------------------|--------|-----|-----------|--------|
| Medicare Group | 7.78 | 1.7 | 1,298.4 | 23.3 |
| Qatar Industrial Manufacturing Co | 3.80 | 1.1 | 2.8 | (11.0) |
| Qatari German Co for Med. Devices | 0.79 | 1.0 | 6,095.6 | 39.8 |
| Qatar Islamic Insurance Company | 5.80 | 0.9 | 45.1 | 8.0 |
| Qatar Insurance Company | 3.53 | 0.9 | 129.8 | (1.7) |

| QSE Top Volume Trades | Close* | 1D% | Vol. '000 | YTD% |
|-----------------------------------|--------|-------|-----------|--------|
| Doha Bank | 2.52 | (1.2) | 7,559.3 | 13.5 |
| Ezdan Holding Group | 0.73 | (1.1) | 7,309.8 | (44.1) |
| Qatar Gas Transport Company Ltd. | 2.20 | (1.3) | 6,333.9 | 22.7 |
| Qatari German Co for Med. Devices | 0.79 | 1.0 | 6,095.6 | 39.8 |
| Al Khaleej Takaful Insurance Co. | 1.99 | (0.5) | 5,002.3 | 131.7 |

| Regional Indices | Close | 1D% | WTD% | MTD% | YTD% | Exch. Val. Traded (\$ mn) | Exchange Mkt. Cap. (\$ mn) | P/E** | P/B** | Dividend Yield |
|------------------|-----------|-------|-------|-------|--------|---------------------------|----------------------------|-------|-------|----------------|
| Qatar* | 10,442.87 | (0.7) | (1.2) | (0.1) | 1.4 | 52.62 | 157,672.9 | 14.7 | 1.6 | 4.2 |
| Dubai | 2,656.16 | 0.3 | (0.2) | (0.1) | 5.0 | 43.45 | 95,640.7 | 11.8 | 1.0 | 4.6 |
| Abu Dhabi | 5,010.55 | 0.1 | 0.2 | 0.6 | 1.9 | 52.86 | 139,498.3 | 14.9 | 1.5 | 4.9 |
| Saudi Arabia | 8,827.01 | 0.2 | (0.2) | 0.1 | 12.8 | 688.65 | 553,588.1 | 19.7 | 2.0 | 3.3 |
| Kuwait | 6,017.39 | 0.2 | 1.1 | 3.2 | 18.5 | 249.53 | 112,383.8 | 15.1 | 1.5 | 3.5 |
| Oman | 3,822.81 | 0.2 | 0.0 | (1.6) | (11.6) | 2.95 | 16,769.9 | 7.5 | 0.8 | 7.2 |
| Bahrain | 1,532.83 | (0.3) | 1.4 | 4.2 | 14.6 | 3.90 | 23,924.7 | 11.2 | 1.0 | 4.9 |

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

| Market Indicators | 08 July 19 | 07 July 19 | %Chg. |
|---------------------------|------------|------------|-------|
| Value Traded (QR mn) | 192.5 | 140.3 | 37.2 |
| Exch. Market Cap. (QR mn) | 573,982.1 | 579,079.7 | (0.9) |
| Volume (mn) | 64.0 | 57.5 | 11.3 |
| Number of Transactions | 5,160 | 4,657 | 10.8 |
| Companies Traded | 43 | 44 | (2.3) |
| Market Breadth | 8:30 | 17:21 | - |

| Market Indices | Close | 1D% | WTD% | YTD% | TTM P/E |
|------------------------|-----------|-------|-------|--------|---------|
| Total Return | 19,215.77 | (0.7) | (1.2) | 5.9 | 14.7 |
| All Share Index | 3,084.83 | (0.8) | (1.3) | 0.2 | 14.6 |
| Banks | 4,032.00 | (1.0) | (1.9) | 5.2 | 14.1 |
| Industrials | 3,219.19 | (0.8) | (0.9) | 0.1 | 16.2 |
| Transportation | 2,462.81 | (1.4) | (1.8) | 19.6 | 13.2 |
| Real Estate | 1,549.15 | (0.4) | (1.1) | (29.2) | 12.9 |
| Insurance | 3,118.79 | 0.8 | 0.8 | 3.7 | 18.0 |
| Telecoms | 923.02 | (0.8) | (0.2) | (6.6) | 18.9 |
| Consumer | 8,161.06 | (0.7) | (0.0) | 20.9 | 15.9 |
| Al Rayan Islamic Index | 4,057.29 | (0.6) | (0.8) | 4.4 | 13.9 |

| GCC Top Gainers** | Exchange | Close* | 1D% | Vol. '000 | YTD% |
|-----------------------|--------------|--------|-----|-----------|--------|
| Ethiad Etisalat Co. | Saudi Arabia | 26.10 | 3.4 | 5,671.5 | 57.4 |
| Saudi Electricity Co. | Saudi Arabia | 18.72 | 3.2 | 1,435.7 | 23.6 |
| Comm. Bank of Kuwait | Kuwait | 0.53 | 2.9 | 327.7 | 16.6 |
| National Shipping Co. | Saudi Arabia | 28.85 | 2.7 | 1,596.4 | (13.6) |
| Emaar Properties | Dubai | 4.57 | 2.5 | 12,333.5 | 10.7 |

| GCC Top Losers** | Exchange | Close* | 1D% | Vol. '000 | YTD% |
|--------------------------|--------------|--------|-------|-----------|--------|
| Saudi Ind. Inv. Group | Saudi Arabia | 23.30 | (2.9) | 747.9 | 1.8 |
| Saudi Arabian Mining Co. | Saudi Arabia | 45.65 | (2.7) | 909.5 | (7.4) |
| Saudi Kayan Petrochem. | Saudi Arabia | 11.48 | (2.4) | 8,927.4 | (13.0) |
| Saudi Arabian Fertilizer | Saudi Arabia | 88.70 | (2.1) | 192.8 | 15.0 |
| The Commercial Bank | Qatar | 4.74 | (1.9) | 736.5 | 20.3 |

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% |
|-------------------------------|--------|-------|-----------|--------|
| Gulf Warehousing Company | 4.84 | (2.2) | 9.4 | 25.8 |
| Qatari Investors Group | 2.37 | (2.1) | 852.4 | (14.8) |
| The Commercial Bank | 4.74 | (1.9) | 736.5 | 20.3 |
| Gulf International Services | 1.88 | (1.6) | 272.7 | 10.6 |
| Qatar Electricity & Water Co. | 16.50 | (1.5) | 394.9 | (10.8) |

| QSE Top Value Trades | Close* | 1D% | Val. '000 | YTD% |
|-----------------------------|--------|-------|-----------|--------|
| QNB Group | 18.82 | (1.5) | 42,661.5 | (3.5) |
| Doha Bank | 2.52 | (1.2) | 18,915.4 | 13.5 |
| Qatar Gas Transport Company | 2.20 | (1.3) | 13,996.4 | 22.7 |
| Industries Qatar | 11.38 | (0.6) | 13,061.2 | (14.8) |
| Medicare Group | 7.78 | 1.7 | 10,161.9 | 23.3 |

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index declined 0.7% to close at 10,442.9. The Transportation and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from GCC shareholders despite buying support from Qatari and non-Qatari shareholders.
- Gulf Warehousing Company and Qatari Investors Group were the top losers, falling 2.2% and 2.1%, respectively. Among the top gainers, Medicare Group gained 1.7%, while Qatar Industrial Manufacturing Company was up 1.1%.
- Volume of shares traded on Monday rose by 11.3% to 64.0mn from 57.5mn on Sunday. However, as compared to the 30-day moving average of 147.4mn, volume for the day was 56.6% lower. Doha Bank and Ezdan Holding Group were the most active stocks, contributing 11.8% and 11.4% to the total volume, respectively.

| Overall Activity | Buy %* | Sell %* | Net (QR) |
|-------------------------|---------------|---------------|------------------------|
| Qatari Individuals | 38.44% | 28.39% | 19,343,748.36 |
| Qatari Institutions | 30.82% | 30.86% | (72,534.22) |
| Qatari | 69.26% | 59.25% | 19,271,214.14 |
| GCC Individuals | 0.63% | 1.37% | (1,412,980.24) |
| GCC Institutions | 0.50% | 13.86% | (25,724,164.32) |
| GCC | 1.13% | 15.23% | (27,137,144.56) |
| Non-Qatari Individuals | 10.46% | 10.83% | (714,943.51) |
| Non-Qatari Institutions | 19.15% | 14.69% | 8,580,873.93 |
| Non-Qatari | 29.61% | 25.52% | 7,865,930.42 |

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

Ratings, Earnings Releases, Global Economic Data and Earnings Calendar

Ratings Updates

| Company | Agency | Market | Type* | Old Rating | New Rating | Rating Change | Outlook | Outlook Change |
|--|---------|--------------|-------|------------|------------|---------------|---------|----------------|
| Saudi Re for Cooperative Reinsurance Co. | Moody's | Saudi Arabia | IFSR | A3 | A3 | - | Stable | - |

Source: News reports, Bloomberg (IFSR – Insurance Financial Strength Rating)

Earnings Releases

| Company | Market | Currency | Revenue (mn) 2Q2019 | % Change YoY | Operating Profit (mn) 2Q2019 | % Change YoY | Net Profit (mn) 2Q2019 | % Change YoY |
|--------------------------------|--------------|----------|---------------------|--------------|------------------------------|--------------|------------------------|--------------|
| Advanced Petrochemical Company | Saudi Arabia | SR | 681.0 | -9.2% | 207.0 | -16.1% | 192.0 | -24.2% |
| Salalah Port Services* | Oman | OMR | 33.3 | 20.4% | - | - | 2.2 | 182.8% |
| Hotels Management Co. Int. | Oman | OMR | 5.3 | -18.5% | - | - | 1.2 | -34.6% |
| Construction Materials Ind.* | Oman | OMR | 1,863.4 | 3.4% | - | - | 144.6 | 118.7% |

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financials for 6M2019, *Figures in '000)

Global Economic Data

| Date | Market | Source | Indicator | Period | Actual | Consensus | Previous |
|-------|---------|--------------------------------|-------------------------------|--------|--------|-----------|----------|
| 07/08 | EU | Sentix Behavioral Indices | Sentix Investor Confidence | July | -5.8 | 0.1 | -3.3 |
| 07/08 | Germany | Deutsche Bundesbank | Industrial Production SA MoM | May | 0.3% | 0.4% | -2.0% |
| 07/08 | Germany | Bundesministerium fur Wirtscha | Industrial Production WDA YoY | May | -3.7% | -3.2% | -2.3% |

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 2Q2019 results | No. of days remaining | Status |
|---------|---|----------------------------------|-----------------------|--------|
| QNBK | QNB Group | 10-Jul-19 | 1 | Due |
| QGTS | Qatar Gas Transport Company Limited (Nakilat) | 10-Jul-19 | 1 | Due |
| WDAM | Widam Food Company | 15-Jul-19 | 6 | Due |
| MARK | Masraf Al Rayan | 15-Jul-19 | 6 | Due |
| QGMD | Qatari German Company for Medical Devices | 16-Jul-19 | 7 | Due |
| IHGS | Islamic Holding Group | 16-Jul-19 | 7 | Due |
| QFLS | Qatar Fuel Company | 17-Jul-19 | 8 | Due |
| QIBK | Qatar Islamic Bank | 17-Jul-19 | 8 | Due |
| QIIK | Qatar International Islamic Bank | 17-Jul-19 | 8 | Due |
| ERES | Ezdan Holding Group | 18-Jul-19 | 9 | Due |
| ABQK | Ahli Bank | 18-Jul-19 | 9 | Due |
| NLCS | Aljarah Holding | 18-Jul-19 | 9 | Due |

Source: QSE

| Tickers | Company Name | Date of reporting 2Q2019 results | No. of days remaining | Status |
|---------|---|----------------------------------|-----------------------|--------|
| QEWS | Qatar Electricity & Water Company | 21-Jul-19 | 12 | Due |
| GWCS | Gulf Warehousing Company | 21-Jul-19 | 12 | Due |
| QIGD | Qatari Investors Group | 22-Jul-19 | 13 | Due |
| KCBK | Al Khalij Commercial Bank | 23-Jul-19 | 14 | Due |
| MCGS | Medicare Group | 24-Jul-19 | 15 | Due |
| UDCD | United Development Company | 24-Jul-19 | 15 | Due |
| QGRI | Qatar General Insurance & Reinsurance Company | 24-Jul-19 | 15 | Due |
| DHBK | Doha Bank | 24-Jul-19 | 15 | Due |
| AKHI | Al Khaleej Takaful Insurance Company | 25-Jul-19 | 16 | Due |
| QIMD | Qatar Industrial Manufacturing Company | 25-Jul-19 | 16 | Due |
| ORDS | Ooredoo | 29-Jul-19 | 20 | Due |
| DBIS | Dlala Brokerage & Investment Holding Company | 30-Jul-19 | 21 | Due |
| DOHI | Doha Insurance Group | 31-Jul-19 | 22 | Due |
| QISI | Qatar Islamic Insurance Company | 4-Aug-19 | 26 | Due |

Source: QSE

News

Qatar

- **DBIS to disclose 2Q2019 financial statements on July 30** – Dlala Brokerage & Investment Holding Company (DBIS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 30, 2019. (QSE)
- **KCBK to disclose 2Q2019 financial statements on July 23** – Al Khalij Commercial Bank (KCBK) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 23, 2019. (QSE)
- **QISI to disclose 2Q2019 financial statements on August 04** – Qatar Islamic Insurance Company (QISI) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 04, 2019. (QSE)
- **QNB Group: QCB's foreign exchange reserves rise to \$52.7bn in May** – Qatar Central Bank's (QCB) foreign exchange reserves have risen to \$52.7bn in May, QNB Group stated in its latest 'Qatar Monthly Monitor'. The country's trade balance surplus remained healthy at \$3.7bn in May, the report revealed. In terms of Qatar's fiscal and external balances, QNB Group noted the current account balance surplus was \$2bn in 1Q2019. The fiscal account surplus widened to 3.4% of GDP in 4Q2018. Qatar's banks had seen their assets, deposits and credit grow in May, QNB Group stated. Qatari banks asset growth accounted for 5.9% YoY in May, while deposits grew 2.7% YoY that month. Credit growth witnessed by local banks in May stood at 5.6% YoY. On the other hand, private sector, public sector deposits decreased 0.9% and 0.4% MoM, respectively, while non-resident deposits with Qatari banks increased 5.5% MoM in May. Interbank rates remained broadly stable as of July 5, QNB Group noted. Qatar Sovereign 5-year CDS Spreads stood around 60 basis points (bps) as of July 5, the report stated. Qatar Interbank Offered Rates (QIBOR) three-month interest rates remained stable while Dollar-based London Inter-bank Offered Rate (LIBOR) three-month interest rates drifted down as of July 5. In terms of money and banking, broad money supply (M2) declined 4.5% YoY in May. (Gulf-Times.com)
- **Qatar's trade surplus reaches QR68.8bn** – The combined value of Qatar's trade surplus for the first five months of this year (January-May 2019) has reached QR68.8bn, official monthly figures compiled by The Peninsula showed. The combined value

of Qatar's international trade in goods from January-May 2019 period stood at QR159.33bn. The total value of the exports of goods (including exports of goods of domestic origin and re-exports) for the period amounted to QR114.23bn, while the total imports stood at QR45.1bn, compiled monthly figures released by the Planning and Statistics Authority showed. The trade balance is the difference between the total exports and imports of merchandise for a particular period of time. The trade balance can be deficit or surplus depending on the value of exports and imports, but for Qatar, being the world's largest exporter of LNG, the energy-rich country has been enjoying a trade surplus for years. Despite the ongoing blockade imposed by some of Qatar's traditional trading partners, such as Saudi Arabia, the UAE and Bahrain, for more than two years, Qatar's foreign trade has not only remained resilient and robust but registered steady growth over the period as a result of meticulous planning and strategy. (Peninsula Qatar)

- **S&P: Strong retail, GRE deposits underpin Qatari banks' funding profiles** – Qatari banks have strong customer bases to support their system wide funding profiles as the country's banking system has the biggest share of retail and government-related entities (GRE) deposits in the GCC at about 70%, S&P Global Ratings (S&P) has stated in a report. "We estimate that expat deposits account for about 30% of total domestic deposits in Qatar. This ratio is higher than our estimate for other GCC countries at 10%, due to the larger percentage of expatriates in the Qatari population. We assess four of the six GCC governments including Qatar as highly supportive of their banking systems. The ability to provide this support is underpinned by the substantial liquid assets available to Qatari government and its very strong track record of support in case of need," the report stated. The most recent demonstration of this support was seen at the start of the blockade imposed on Qatar by some neighboring countries in 2017, the report stated adding this triggered outflows of \$23bn, but they were more than offset by an injection of \$43bn by the government, related entities, and the Qatar Central Bank. (Qatar Tribune)

International

- **NY Fed survey: US consumer inflation outlook rises for first time in three months** – The US consumers in June lifted their inflation expectations for the first time in three months, New

York Fed data showed, reducing pressure on central bankers to cut rates significantly to support economic momentum. The Federal Reserve Bank of New York's survey of consumer expectations, which the Fed considers along with other data on US price pressures, showed consumers' one-year inflation outlook rising 0.2 percentage points to 2.7%. Three-year inflation expectations also ticked up to 2.7%. In May, the gauges had hit their lowest levels since at least 2017. Consumers also showed more confidence about their personal financial situation, reporting a lower likelihood that they would lose their jobs, higher expectations of pay raises and a smaller chance of missing a debt payment. Yet nearly 39% see US stock prices higher in a year's time, the lowest level since October 2016. The US job growth rebounded strongly in June, Labor Department data showed, but wage gains remained moderate and there was still mounting evidence the economy has been losing momentum. (Reuters)

- **Commerce Department: US producers harmed by some structural steel imports** – The US Commerce Department stated that domestic producers were being harmed by imports of fabricated structural steel from China and Mexico and it will instruct Customs and Border Protection to collect cash deposits from importers of such steel. The Department stated it had found that imports from Canada were not being unfairly subsidized. The US International Trade Commission stated in March that imports of fabricated structural steel from Canada, China and Mexico were harming domestic producers. Fabricated structural steel is used in major building projects, such as bridges, buildings, parking decks and ports. An industry trade group had filed a petition asking for the trade case to be launched. (Reuters)
- **BRC: UK shops suffer slowest growth on record in 12 months to June** – Sales at British retailers rose at their slowest average pace on record over the past year as worries about Brexit weighed on consumers, a survey showed. Average sales growth weakened to 0.6% in the 12 months to June, the British Retail Consortium, an industry group, stated, the slowest increase since it began its records in 1995. Retailers also had their biggest annual fall for June on record - down 1.3% - as the Brexit concerns mounted and the spending boost from a heat-wave and the men's soccer World Cup in June 2018 affected the comparison, the BRC stated. Last week, surveys of British companies suggested the economy shrank between April and June and Bank of England Governor Mark Carney warned of growing risks from a no-deal Brexit and global trade tensions. In 'like-for-like' terms, which smooth out changes in the amount of retail space, sales fell by 1.6% in June and the 12-month average declined by 0.1%, the weakest reading in more than seven years. (Reuters)
- **Sentix: Eurozone's investor morale falls further in July, German recession looms** – Investor morale in the Eurozone deteriorated yet further in July, confounding expectations for a rise, with positive signals from the equity markets failing to soothe investors who do not expect an agreement in the trade conflict soon, a survey showed. The Sentix research group stated its investor sentiment index for the Eurozone fell to -5.8 in July, down from -3.3 the month before, and well short of the 0.1 analysts had forecasted. That was the lowest reading since

November 2014. A sub-index for Germany plunged to -4.8 from last month's -0.7, its lowest in almost a decade. (Reuters)

- **German export engine revs up in May, but 2Q2019 still looks weak** – German exports rebounded more strongly than expected in May, but failed to fully recover from a slump a month earlier, data showed, as trade conflicts cool Europe's largest economy in the second quarter. Exports grew by 1.1% on the month in May, data from the Federal Statistics Office showed, surpassing the 0.5% rise forecast in a Reuters poll. In April, shipments abroad fell by 3.4%. Imports fell 0.5% on the month in May. The upshot was a rise in the trade balance to 18.7bn Euros from 16.9bn Euro in the prior month. Other recent data have painted a gloomy picture of German industry, with engineering orders falling and activity in the manufacturing sector contracting. Separate Statistics Office data showed industrial output increased by 0.3% on the month in May, undershooting the forecast for a 0.4% rise. A month earlier, output fell 2.0%. (Reuters)
- **French central bank trims second-quarter growth estimate to 0.2%** – The French economy likely grew slightly less quickly than previously thought in the face of a sharp slowdown in manufacturing activity last month, the French central bank stated. The Bank of France estimated the Eurozone's second-biggest economy grew 0.2% in the second quarter, revising down from 0.3% previously. The central bank gave the estimate in its monthly business sentiment survey, which showed that confidence in the export-exposed manufacturing sector plunged amid global trade tensions. (Reuters)
- **Japan real wages fall for a fifth straight month in May** – Inflation-adjusted real wages in Japan fell in May from a year earlier, a fifth straight month of decline that raises worries about the strength of consumer spending. Real wages fell 1.0% in May, labor ministry data showed, after a downwardly revised 1.4% annual decline in April. Monthly wage data showed nominal total cash earnings in May slipped an annual 0.2% after a revised 0.3% fall in April. Regular pay, which accounts for the bulk of monthly wages, fell an annual 0.6% in May, the fifth straight month of decline. One-off special payments climbed 2.5% in May from a year earlier, recovering from a revised 5.3% annual decline in the previous month. Overtime pay also grew 0.8% in May from a year earlier, after dropping a revised 1.9% in April. (Reuters)
- **BOJ official: Japan's central Tokai region to see economic expansion** – The Tokai region in central Japan is likely to see its economy continue expanding despite external headwinds, such as the simmering US-China trade friction, a senior Bank of Japan (BoJ) official said. "Risks regarding overseas economies are large," Tokiko Shimizu, the Head of the BJ's Nagoya branch said. The Tokai region is home to auto giant Toyota Motor Corp. "But our baseline scenario is for the region's economy to continue expanding," she said. (Reuters)
- **China's June new loans seen at five-month high as central bank keeps liquidity ample** – New bank loans in China are expected to have picked up to a five-month high in June, a Reuters poll showed, as Beijing kept ample liquidity in the financial system to support the slowing economy and offset growing US trade pressure. The central bank also stepped up cash injections last month to calm nerves after regulators seized a troubled regional

bank, which sparked worries of financial contagion and briefly drove some short-term lending rates to record highs. Chinese banks likely extended 1.7tn Yuan in net new Yuan loans last month, up from 1.18tn in May but below 1.84tn in June 2018, according to a median estimate in a Reuters survey of 29 economists. The poll also showed that outstanding Yuan loan growth on a YoY basis likely held steady at 13.4% from May, while broad M2 money supply was seen rising fractionally to 8.6% on-year, from 8.5%. (Reuters)

Regional

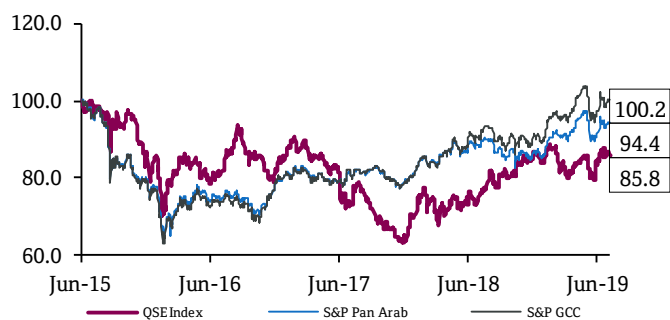
- **Geopolitical risk could see GCC banks require sovereign support** – In the event of a sharp escalation in regional geopolitical tensions, the GCC banks may need sovereign support, according to S&P. The ratings agency stated that despite tensions have increased between the US and Iran, it has not changed any bank or sovereign ratings or outlooks in the GCC region. This is because, in its base case, it does not expect direct conflict between the US and Iran or their regional allies. Furthermore, S&P expects the Strait of Hormuz to remain open to the global oil trade. However, if the strait were blocked (even for a few days), or if there is a significant escalation in tensions that could affect Gulf countries, the potential related loss of investor confidence could weigh on the ratings of GCC banks and sovereigns. On the potential implications for banks and sovereigns in the GCC in a hypothetical scenario, the global ratings agency assumes that 25% of total foreign interbank deposits and 40% of foreign customer deposits would leave the GCC countries. It also assumes in this hypothetical scenario that 30% of expat deposits would be transferred abroad--equivalent to an estimated 9% of total deposits for Qatar and the UAE and an estimated 3% of total deposits for the other countries. This ratio is lower than the rating agency's assumption for nonresident customer deposits given the greater interest expatriates have in their host economies (including financial obligations and investments). (Peninsula Qatar)
- **Al Rajhi Capital: United Electronics's securitization to have a positive impact** – Saudi consumer retailer United Electronics, known as Extra, will see multiple positive implications from the securitization of SR166mn in receivables in exchange for a cash flow of SR160mn, Al Rajhi Capital stated. Receivables are part of the 'Tasheel Program' and the securitized portion accounts for about 41% of Extra's last outstanding balance of installments sales, Analyst, Abdulmalik Alsalem noted. Positive implications include upfront recognition of future profits and cash flows, increased capacity to expand in installments sales as well as lowering debt. Al Rajhi Capital revised top-line growth estimate for 2019 to 14.3% YoY (from 9.7% previously) and 9.4% for 2020 (from 7% earlier). (Bloomberg)
- **Saudi Re for Cooperative Reinsurance Co. maintains 'A3' insurance financial strength rating by Moody's** – Saudi Re for Cooperative Reinsurance Co. announced that it has maintained 'A3' insurance financial strength rating (IFSR) by Moody's Investor Service, with a 'Stable' outlook according to the credit opinion announced on July 8, 2019. The 'A3' IFSR of the company reflects its: (a) strong brand and market position in Saudi Arabia as the sole Saudi Arabian professional reinsurer as well as a growing presence in its target markets of Asia, Africa

and Lloyd's, (b) preferential position in Saudi Arabian market due to a right of first refusal on a portion of premiums ceded by primary carriers in the Saudi Arabian market, (c) strong asset quality exemplified by its conservative investment portfolio, (d) good capital adequacy, both in terms of capital levels, and relatively modest exposure to natural catastrophe risk, and (e) strong financial flexibility with non-existent leverage and good access to capital markets in Saudi Arabia, and broad investor base. The 'Stable' rating outlook reflects Moody's expectation that Saudi Re will maintain its recent improvements in profitability whilst maintaining its strong assets quality, capital adequacy and adequate level of reserves. Maintaining the rating is expected to further strengthen Saudi Re competitive position and support its growth efforts in the international markets. (Tadawul)

- **SABB announces the deposit of the proceeds of the fraction shares resulting from the capital increase of the bank** – In reference to the announcement made by the Saudi British Bank (SABB) on June 16, 2019 regarding the effectiveness of the resolution to merge Alawwal bank in SABB, SABB has announced that it has completed the sale of the fraction shares resulting from the capital increase of SABB for the purpose of the merger and it has deposited the proceeds of such sale in the accounts of the eligible shareholders, by selling 1,527 shares at a average selling price of SR39.84. The proceeds of the shares fractions sale will be distributed by SABB, and will deposit the proceeds from the sale of the fraction shares in the bank accounts associated with the eligible shareholders' investment accounts. Eligibility is to the shareholders owning shares in Alawwal bank on June 16, 2019, and who were registered in Alawwal bank's share registry at the Depository Center by the end of the second trading period following that date. (Tadawul)
- **Aramco Korea discusses investing in hydrogen energy firm** – Saudi Arabian Oil Company's South Korean unit, Aramco Korea is discussing possible investment in HyNet, a special purpose company to establish infrastructure for hydrogen energy, DongA Ilbo newspaper reported, citing unidentified auto and hydrogen energy industry sources. Companies like Hyundai Motor, Korea Gas and 13 other companies have invested in HyNet, which was established in March. (Bloomberg)
- **UAE's Julphar seeks advisor to restructure as Saudi Arabia ban weighs** – Gulf Pharmaceutical Industries (Julphar) is looking to hire a restructuring advisor after cutting jobs as a ban on the medicine maker's exports to Saudi Arabia weighs on its finances. The company has replaced most of its top management and appointed new board members as it comes under increasing financial strain. The UAE-based firm also cut about 150 jobs, or 3% of its workforce, according to sources. A small proportion of staff were affected by a modest restructuring and all key positions have been filled, according to CEO, Jerome Carle. The company will soon announce its new executive team and is working with consultancy firms to help optimize the business, he said. "We are currently in the process of undertaking a voluntary reorganization of the company," he said. "Julphar's leadership team has been conducting a comprehensive review of all areas of our business to identify cost savings," he added. (Bloomberg)

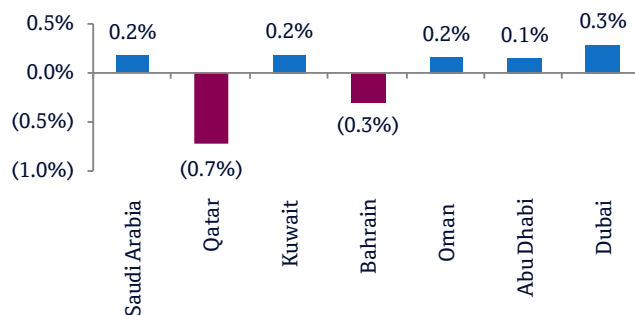
- **DP World hires Citi, Dubai Islamic Bank and Standard Chartered for new 10-year Sukuk** – Port operator DP World has hired banks to arrange a series of investor meetings ahead of a potential issue of 10-year US Dollar-denominated Sukuk, a document issued by one of the banks leading the deal showed. DP World, majority owned by the Dubai government, mandated Citi, Dubai Islamic Bank and Standard Chartered to arrange the meetings to be held in Hong Kong, Singapore and London, starting on Wednesday July 10. The three banks, together with Barclays, Deutsche Bank, Emirates NBD Capital, First Abu Dhabi Bank (FAB), and HSBC have been mandated as joint lead managers and joint bookrunners for the Sukuk offering. DP World stated last week it plans to buy Topaz Energy and Marine Limited, a provider of marine logistics to the global energy industry, for \$1bn from Standard Chartered and Renaissance Services. The document did not specify if the proceeds from the planned bond transaction will be used to back the acquisition. The firm, rated ‘Baa1’ by Moody’s and ‘BBB+’ by Fitch, is also considering raising additional funds through long-dated US Dollar-denominated conventional bonds as part of an existing \$10bn bond program, according to the document. The planned Sukuk would be issued as part of an existing \$5bn certificate program. (Reuters)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 1.55x** – Bahrain sold BHD70mn 91 day of bills due on October 9, 2019. Investors offered to buy 1.55 times the amount of securities sold. The bills were sold at a price of 99.226, having a yield of 3.09% and will settle on July 10, 2019. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

| Asset/Currency Performance | Close (\$) | 1D% | WTD% | YTD% |
|--------------------------------------|------------|-------|-------|--------|
| Gold/Ounce | 1,395.55 | (0.3) | (0.3) | 8.8 |
| Silver/Ounce | 15.03 | 0.2 | 0.2 | (3.0) |
| Crude Oil (Brent)/Barrel (FM Future) | 64.11 | (0.2) | (0.2) | 19.2 |
| Crude Oil (WTI)/Barrel (FM Future) | 57.66 | 0.3 | 0.3 | 27.0 |
| Natural Gas (Henry Hub)/MMBtu | 2.39 | 4.4 | 4.4 | (26.5) |
| LPG Propane (Arab Gulf)/Ton | 47.75 | 1.1 | 1.1 | (25.4) |
| LPG Butane (Arab Gulf)/Ton | 47.25 | 1.6 | 1.6 | (32.0) |
| Euro | 1.12 | (0.1) | (0.1) | (2.2) |
| Yen | 108.72 | 0.2 | 0.2 | (0.9) |
| GBP | 1.25 | (0.0) | (0.0) | (1.9) |
| CHF | 1.01 | (0.2) | (0.2) | (1.2) |
| AUD | 0.70 | (0.1) | (0.1) | (1.1) |
| USD Index | 97.38 | 0.1 | 0.1 | 1.3 |
| RUB | 63.68 | (0.2) | (0.2) | (8.7) |
| BRL | 0.26 | 0.3 | 0.3 | 1.9 |

Source: Bloomberg

| Global Indices Performance | Close | 1D%* | WTD%* | YTD%* |
|----------------------------|------------|-------|-------|-------|
| MSCI World Index | 2,194.62 | (0.5) | (0.5) | 16.5 |
| DJ Industrial | 26,806.14 | (0.4) | (0.4) | 14.9 |
| S&P 500 | 2,975.95 | (0.5) | (0.5) | 18.7 |
| NASDAQ 100 | 8,098.38 | (0.8) | (0.8) | 22.1 |
| STOXX 600 | 389.90 | (0.1) | (0.1) | 13.1 |
| DAX | 12,543.51 | (0.2) | (0.2) | 16.4 |
| FTSE 100 | 7,549.27 | (0.0) | (0.0) | 10.2 |
| CAC 40 | 5,589.19 | (0.1) | (0.1) | 15.7 |
| Nikkei | 21,534.35 | (1.1) | (1.1) | 9.3 |
| MSCI EM | 1,046.24 | (1.3) | (1.3) | 8.3 |
| SHANGHAI SE Composite | 2,933.36 | (2.4) | (2.4) | 17.6 |
| HANG SENG | 28,331.69 | (1.6) | (1.6) | 10.1 |
| BSE SENSEX | 38,720.57 | (2.1) | (2.1) | 9.1 |
| Bovespa | 104,530.20 | 0.9 | 0.9 | 21.1 |
| RTS | 1,399.55 | 0.1 | 0.1 | 31.0 |

Source: Bloomberg (*\$ adjusted returns)

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