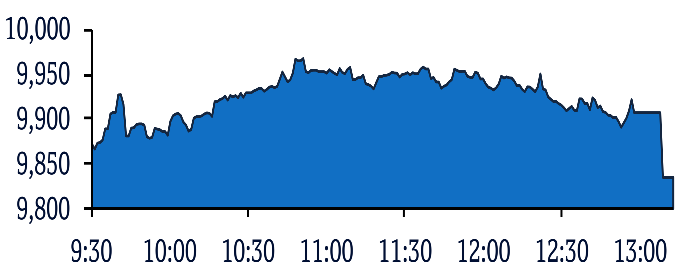
Daily Market Report

Wednesday, 14 August 2019

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.6% to close at 9,834.8. Losses were led by the Transportation and Banks & Financial Services indices, falling 2.3% and 0.6%, respectively. Top losers were Qatar Cinema & Film Distribution Co. and Qatar General Insurance & Reinsurance Co., falling 9.8% and 7.5%, respectively. Among the top gainers, Zad Holding gained 7.5%, while Doha Insurance Group was up 2.7%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.8% to close at 8,550.2. Food & Beverages and Utilities indices led the gains by the rising 1.8% and 1.4%, respectively. Saudi Cement Company rose 6.5%, while Saudi British Bank was up 4.8%.

Dubai: The DFM Index gained 0.2% to close at 2,838.0. The Real Estate & Construction index rose 0.8%, while the Transportation index gained 0.6%. Aan Digital Services Holding Co. rose 14.6%, while Ekttitab Holding Co. was up 12.3%.

Abu Dhabi: The ADX General Index fell 0.4% to close at 5,097.2. The Consumer Staples index declined 1.5%, while the Telecommunication index fell 0.9%. Al Qudra Holding declined 10.0%, while Ras Alkhaima Nat. Insurance was down 5.3%.

Kuwait: The Kuwait All Share Index fell 0.2% to close at 6,104.3. The Banks and Industrials indices declined 0.5% each. Integrated Holding Company declined 11.3%, while Gulf Investment House was down 9.4%.

Oman: The MSM 30 Index gained 0.6% to close at 3,861.5. Gains were led by the Financial and Industrial indices, rising 0.7% and 0.3%, respectively. Oman Cement rose 4.2%, while Oman Investment and Finance was up 3.5%.

Bahrain: The BHB Index fell marginally to close at 1,543.6. The Investment index declined 0.1%, while the Services index fell marginally. Bahrain Commercial Facilities Company declined 1.6%, while GFH Financial Group was down 0.4%.

Market Indicators	08 Aug 19	07 Aug 19	%Chg.
Value Traded (QR mn)	195.2	197.9	(1.4)
Exch. Market Cap. (QR mn)	542,240.5	545,046.8	(0.5)
Volume (mn)	61.8	53.0	16.6
Number of Transactions	5,202	6,114	(14.9)
Companies Traded	45	46	(2.2)
Market Breadth	14:23	26:13	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,096.84	(0.6)	(5.4)	(0.3)	14.6
All Share Index	2,905.52	(0.5)	(5.3)	(5.6)	14.8
Banks	3,832.52	(0.6)	(5.4)	0.0	13.2
Industrials	2,936.18	0.0	(6.0)	(8.7)	16.9
Transportation	2,441.74	(2.3)	(4.2)	18.6	15.9
Real Estate	1,412.37	(0.4)	(5.8)	(35.4)	15.9
Insurance	2,770.38	0.1	(7.7)	(7.9)	16.5
Telecoms	879.04	0.1	(7.5)	(11.0)	20.4
Consumer	8,059.19	(0.6)	(0.5)	19.3	16.1
Al Rayan Islamic Index	3,831.54	(0.1)	(4.0)	(1.4)	14.3

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Cement Company	Saudi Arabia	66.00	6.5	368.5	35.9
Saudi British Bank	Saudi Arabia	38.00	4.8	1,166.4	16.4
Riyad Bank	Saudi Arabia	26.90	3.5	3,490.0	35.7
Rabigh Refining & Petro.	Saudi Arabia	20.06	3.4	1,979.5	5.1
Almarai Co.	Saudi Arabia	51.90	3.4	867.1	8.1

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
The Commercial Bank	Qatar	4.35	(3.5)	680.1	10.4
Qatar Gas Transport Co.	Qatar	2.20	(3.5)	3,780.2	22.7
GFH Financial Group	Dubai	0.90	(1.9)	9,092.1	(0.7)
Abu Dhabi Commercial Bank	Abu Dhabi	8.43	(1.6)	9,833.4	3.3
DAMAC Properties	Dubai	0.95	(1.6)	5,858.7	(37.4)

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%
Zad Holding Company	13.98	7.5	0.2	34.4
Doha Insurance Group	1.13	2.7	44.9	(13.7)
Masraf Al Rayan	3.60	1.7	3,718.0	(13.6)
Islamic Holding Group	2.18	1.4	394.6	(0.2)
Qatar Aluminium Manufacturing	0.81	1.0	2,830.0	(39.6)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.35	(0.3)	10,881.6	(13.7)
Qatari German Co for Med. Devices	0.63	(4.6)	6,050.5	11.0
Ezdan Holding Group	0.63	(0.3)	5,577.5	(51.8)
Mazaya Qatar Real Estate Dev.	0.74	(1.1)	5,560.4	(4.6)
Qatar Gas Transport Company Ltd.	2.20	(3.5)	3,780.2	22.7

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	2.21	(9.8)	1.2	16.2
Qatar General Ins. & Reins. Co.	3.35	(7.5)	101.1	(25.4)
Alijarah Holding	0.66	(6.2)	449.4	(25.4)
Qatari German Co. for Med. Dev.	0.63	(4.6)	6,050.5	11.0
The Commercial Bank	4.35	(3.5)	680.1	10.4

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.23	(0.6)	59,120.4	(6.5)
Qatar Fuel Company	21.10	(1.7)	15,623.3	27.1
Qatar Islamic Bank	15.10	(1.1)	15,211.6	(0.7)
Masraf Al Rayan	3.60	1.7	13,442.3	(13.6)
Industries Qatar	10.40	(0.1)	13,275.6	(22.2)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,834.79	(0.6)	(5.4)	(6.4)	(4.5)	53.35	148,953.5	14.6	1.9	4.4
Dubai	2,837.96	0.2	(2.2)	(2.8)	12.2	64.23	100,711.2	11.8	1.0	4.3
Abu Dhabi	5,097.17	(0.4)	(2.5)	(4.2)	3.7	71.38	140,561.0	14.9	1.4	4.9
Saudi Arabia	8,550.23	0.8	(1.3)	(2.1)	9.2	881.56	538,909.0	20.8	1.9	3.6
Kuwait	6,104.30	(0.2)	(0.4)	(0.2)	20.2	85.67	114,078.0	14.9	1.5	3.4
Oman	3,861.51	0.6	2.2	2.7	(10.7)	5.73	16,928.0	7.7	0.8	7.1
Bahrain	1,543.55	(0.0)	(0.4)	(0.3)	15.4	6.28	24,149.3	11.4	1.0	5.0

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 declined 0.6% to close at 9,834.8. The Transportation and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Qatar Cinema & Film Distribution Company and Qatar General Insurance & Reinsurance Company were the top losers, falling 9.8% and 7.5%, respectively. Among the top gainers, Zad Holding Company gained 7.5%, while Doha Insurance Group was up 2.7%.
- Volume of shares traded on Thursday rose by 16.6% to 61.8mn from 53.0mn on Wednesday. Further, as compared to the 30-day moving average of 59.8mn, volume for the day was 3.3% higher. Qatar First Bank and Qatari German Company for Medical Devices were the most active stocks, contributing 17.6% and 9.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	29.71%	23.42%	12,280,593.50
Qatari Institutions	26.00%	20.87%	10,021,478.00
Qatari	**55.71%**	**44.29%**	**22,302,071.50**
GCC Individuals	1.13%	0.58%	1,067,661.30
GCC Institutions	0.39%	4.72%	(8,451,620.80)
GCC	**1.52%**	**5.30%**	**(7,383,959.50)**
Non-Qatari Individuals	10.89%	11.04%	(295,483.68)
Non-Qatari Institutions	31.88%	39.37%	(14,622,628.31)
Non-Qatari	**42.77%**	**50.41%**	**(14,918,112.00)**

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

Earnings Releases and Global Economic Data

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2019	% Change YoY	Operating Profit (mn) 2Q2019	% Change YoY	Net Profit (mn) 2Q2019	% Change YoY
Al Alamiya for Cooperative Ins. Co.	Saudi Arabia	SR	41.3	-26.7%	–	–	2.5	33.1%
CHUBB Arabia Cooperative Ins. Co.	Saudi Arabia	SR	50.9	-3.5%	–	–	2.6	96.4%
Allianz Saudi Fransi Cooperative Ins	Saudi Arabia	SR	288.4	28.3%	–	–	1.5	-13.6%
Methanol Chemicals Co.	Saudi Arabia	SR	150.9	-22.9%	2.2	-94.8%	-8.6	N/A
Saudi Enaya Cooperative Insurance	Saudi Arabia	SR	39.0	-23.0%	–	–	1.9	90.1%
Gulf Union Cooperative Insurance	Saudi Arabia	SR	99.9	99.1%	–	–	0.8	69.3%
Jazan Energy and Development Co.	Saudi Arabia	SR	13.3	3.6%	-1.7	N/A	-1.8	N/A
Batic Investments and Logistics Co.	Saudi Arabia	SR	117.8	-8.1%	5.1	-13.0%	1.8	-7.3%
Basic Chemical Industries Co.	Saudi Arabia	SR	130.1	-14.0%	17.5	-23.7%	9.7	-25.5%
Tihama Adv. & Public Relations Co.	Saudi Arabia	SR	14.9	6.4%	-4.4	N/A	1.4	40.0%
Filing & Packing Materials Manu.	Saudi Arabia	SR	38.1	-13.0%	-4.6	N/A	-4.8	N/A
Kingdom Holding Co.	Saudi Arabia	SR	463.6	-44.3%	257.5	-58.4%	143.6	-40.8%
Saudi Real Estate Co.	Saudi Arabia	SR	71.8	-13.6%	7.3	-64.2%	21.5	-29.0%
Al Jouf Cement Co.	Saudi Arabia	SR	46.2	69.9%	1.2	N/A	0.1	N/A
Unikai Foods	Dubai	AED	90.9	-12.7%	9.7	239.3%	7.5	259.7%
Islamic Arab Insurance	Dubai	AED	291.8	11.9%	–	–	17.4	2.0%
Gulf General Investments	Dubai	AED	117.8	-4.7%	–	–	-33.6	N/A
Awtad	Dubai	AED	–	–	–	–	-0.3	N/A
National Cement Company	Dubai	AED	47.5	-17.2%	-5.4	N/A	-0.4	N/A
Al Ain Ahlia Insurance Company	Abu Dhabi	AED	269.6	-9.0%	–	–	17.6	-31.1%
AXA Green Crescent Insurance	Abu Dhabi	AED	11.5	38.3%	–	–	1.0	N/A
International Holdings Company	Abu Dhabi	AED	162.0	28.2%	–	–	0.7	-89.5%
Abu Dhabi National Energy	Abu Dhabi	AED	4,662.0	9.3%	–	–	208.0	23.8%
Al Khaleej Investment	Abu Dhabi	AED	5.9	-7.8%	–	–	3.3	-15.6%
The National Investor*	Abu Dhabi	AED	63.1	2.8%	–	–	11.1	339.3%
Al Salam	Kuwait	KD	1.5	-2.7%	-0.1	N/A	-0.3	N/A
Al Madina for Finance & Investment	Kuwait	KD	0.1	766.3%	-0.1	N/A	-0.3	N/A
Arab Insurance Group	Bahrain	USD	–	–	–	–	7.4	N/A
United Paper Industries**	Baharin	BHD	3.4	5.7%	–	–	0.1	N/A
Ithmaar Holding	Bahrain	USD	55.1	22.8%	–	–	1.3	-60.6%
United Gulf Holding Company	Bahrain	USD	14.2	-3.5%	–	–	5.2	18.2%
Nass Corporation	Bahrain	BHD	42.5	-3.1%	–	–	-2.1	N/A
Bahrain Ship Repairing & Eng. Co.	Bahrain	BHD	1.9	-10.6%	–	–	0.7	-4.0%
GFH Financial Group	Bahrain	USD	92.9	34.5%	–	–	27.8	-22.9%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financials for 6M2019, **Financials for 1Q2019-20)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08/13	US	Bureau of Labor Statistics	CPI YoY	July	1.8%	1.7%	1.6%
08/13	US	Bureau of Labor Statistics	CPI MoM	July	0.3%	0.3%	0.1%
08/08	US	Bloomberg	Bloomberg Consumer Comfort	4-August	62.9	–	64.7
08/09	UK	UK Office for National Statistics	GDP QoQ	2Q2019	-0.2%	0.0%	0.5%
08/09	UK	UK Office for National Statistics	Monthly GDP (MoM)	June	0.0%	0.1%	0.2%
08/09	UK	UK Office for National Statistics	Imports QoQ	2Q2019	-12.9%	-9.1%	10.8%
08/09	UK	UK Office for National Statistics	Exports QoQ	2Q2019	-3.3%	-2.1%	1.5%
08/09	UK	UK Office for National Statistics	GDP YoY	2Q2019	1.2%	1.4%	1.8%
08/09	Germany	German Federal Statistical Office	Trade Balance	June	16.8bn	19.5bn	20.6bn
08/13	Germany	German Federal Statistical Office	CPI YoY	July	1.7%	1.7%	1.7%
08/13	Germany	German Federal Statistical Office	CPI MoM	July	0.5%	0.5%	0.5%
08/13	Japan	Bank of Japan	PPI YoY	July	-0.6%	-0.5%	-0.1%
08/13	Japan	Bank of Japan	PPI MoM	July	0.0%	0.1%	-0.5%
08/08	China	Customs General Administration	Trade Balance CNY	July	310.3bn	310.0bn	345.1bn
08/08	China	Customs General Administration	Imports YoY CNY	July	0.4%	-3.3%	-0.4%
08/12	China	The People's Bank of China	Money Supply M2 YoY	July	8.1%	8.4%	8.5%
08/12	China	The People's Bank of China	Money Supply M1 YoY	July	3.1%	4.7%	4.4%
08/12	China	The People's Bank of China	Money Supply M0 YoY	July	4.5%	4.4%	4.3%
08/09	China	National Bureau of Statistics	CPI YoY	July	2.8%	2.7%	2.7%
08/09	China	National Bureau of Statistics	PPI YoY	July	-0.3%	-0.1%	0.0%

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

News

Qatar

- **Profits of Qatari listed companies reached QR19.6bn in 1H2019 –** All of QSE listed companies have disclosed their financial results of the first half of 2019 for the period ended June 30, 2019. The results showed a net profit of QR19.6bn compared to QR20.9bn for the same period last year, with a decrease of 6.3%. All of the financial statements of listed companies are available on the QSE website. (QSE)
- **MSCI quarterly index review result –** MSCI announced on August 07, 2019, the quarterly result of its index review. The outcome of the MSCI Qatar indices review was the removal of Qatar Industrial Manufacturing (QIMD) from MSCI EM small Cap; there were no addition to the MSCI Qatar Index for the current review. These changes to the MSCI Qatar index will become effective on the close of August 27, 2019 (QSE)
- **QCB: Banking sector to benefit from surplus fiscal balance, higher outlay on major projects –** Qatar's surplus fiscal balance and increasing government expenditure on major projects may boost public and private sector investment and credit demand from the banking sector, according to the Qatar Central Bank (QCB). The country's fiscal balance is projected to be in surplus this year, while government expenditure on major projects is around 43.3% of the total expenditure, the QCB stated in its 10th Financial Stability Review. This, the QCB stated, may boost the public and private sector investment and credit demand from the banking sector. Further, the focus of the budget on providing necessary funds for the development of new housing areas for nationals, enhancing food security projects, establishment of infrastructure and facilities in free zones, special economic zones, and industrial and logistics zones may demand the banking sector to diversify their credit portfolio as well as to have a sustainable asset growth. Taking advantage of government push for the SME sector development, banks are also focusing on credit to small and medium-sized enterprises, especially for agriculture, livestock and fisheries. The banking sector in Qatar showed a resilient performance in 2018, the QCB stated. Benign macroeconomic conditions coupled with proactive steps taken by authorities to protect the economy from challenges associated with the economic embargo proved beneficial for the banking sector. (Gulf-Times.com)
- **QCB key policy rate gone up 100 basis points in 2018 following Fed hike –** The Qatar Central Bank had increased its key policy rate by 100 basis points (bps), or one percentage point, in 2018 following the hike in policy rate by the US Federal Reserve four times last year. The increase in QCB policy rate had its share of impact on the interest rate on both deposit as well as credit, the QCB stated in its 10th Financial Stability Review. The interest rate on deposit declined marginally in the shorter end (except for one-month maturity) while in the medium to longer end, it increased in the range of 35bps to 65bps, the QCB stated. The banking sector's preference for more of longer-term maturity over shorter maturity might have been one of the reasons for this change. However, the interest rate for one-month maturity showed the highest increase in the range of 20bps to 75bps. The impact of change in interest rate on credit varied for the various maturity buckets. Interest rate for overdraft increased by 30bps towards the end of the year while the rate for bill discounted increased 73bps. At the same time, interest rate for three-year

maturity decreased, while it increased by 6bps for above three-year maturity. Re-pricing of deposit and credit resulted in higher average cost of deposit by 47 basis points, while the average returns on credit increased by 49bps. Accordingly, the interest spread increased in the current year but at power percent points compared to the previous year, the QCB stated. (Gulf-Times.com)

- **Outlook 'strongly positive' for business activity in Qatar's non-energy private sector –** The July PMI survey of Qatar pointed to a strongly positive 12-month outlook for business activity in the non-energy private sector, while current business conditions grew more subdued. The Qatar PMI indices are compiled from survey responses from a panel of around 400 private sector companies. The Qatar Financial Centre PMI is compiled by IHS Markit. The panel covers the manufacturing, construction, wholesale, retail and services sectors, and reflects the structure of the non-energy economy according to official data. The headline figure is the Purchasing Managers' Index (PMI). The PMI is a weighted average of five indices for new orders, output, employment, suppliers' delivery times and stocks of purchases, and is designed to provide a timely single-figure snapshot of the health of the economy every month. The PMI ebbed from June's 47.2 to 45.2 in July, after adjusting for seasonal factors. This mirrors the recent trend of weakening PMI data globally, notably in manufacturing. Over the second quarter as a whole the PMI averaged 48.1, and this figure provides an advance signal of the direction of change in official GDP, which is only published on a quarterly basis. (Gulf-Times.com)
- **Qatar prevails over UAE in trade dispute at WTO –** The State of Qatar announced that its permanent mission to the World Trade Organization (WTO) has received a formal communication indicating that the UAE had withdrawn its WTO dispute concerning certain alleged measures adopted by Qatar. Qatar's Ministry of Foreign Affairs pointed in a statement that the UAE Ministry of Foreign Affairs and International Cooperation released a statement confirming that the UAE formally backed down from their case. The UAE's failure in advancing this dispute against the State of Qatar demonstrates that the allegations made against Qatar were false and baseless, the statement stated. The Ministry of Foreign Affairs' statement underlined that the UAE's decision to withdraw its complaint so soon after initiating this dispute confirms that Qatar has, and continues to, uphold and comply with its obligations under the WTO, adding "Evidently, the UAE had no arguments or evidence to show otherwise, as such, the UAE has formally withdrawn their complaint prior to the initiation of any adjudication by a WTO Panel". (Peninsula Qatar)
- **WOQOD opens 'New Al Rayyan 2' fuel station –** Qatar Fuel Company (WOQOD) opened New Al Rayyan 2 Petrol Station, taking its nationwide network of fuel dispensing outlets to 86. WOQOD stated the opening of the new fuel station is part of its ongoing expansion plans to serve every area in Qatar. WOQOD's Managing Director & CEO Saad Rashid Al-Muhannadi said, "We are pleased to open new fixed petrol station in New Al Rayyan 2. (Gulf-Times.com)
- **Qatar's moderate debt burden to ease 'markedly' in coming years, says CI –** Qatar's relative debt burden is expected to ease "markedly" in the coming years even as it is slated to see a "temporary" increase in 2019 on account of large $12bn international bond issue, according to Capital Intelligence (CI), a global credit rating agency. Highlighting that the central government's debt levels are moderate, CI stated after increasing significantly during 2014-17, gross government debt stabilized at 48.4% of GDP at end 2018 due to an improving government budget balance. While CI foresees a temporary increase in gross government debt to 51.4% at end 2019 owing to a large international bond issue ($12bn) in March 2019, it expects the government's relative debt burden to decline markedly in subsequent years. "Gross government debt is forecast to decline to 39.7% at end 2021 on the back of substantial budgetary surpluses over the next years," CI stated after affirming Qatar's long-term foreign currency rating and long-term local currency rating at 'AA-'. While current government debt levels are moderate, CI considers the large size of the domestic banking sector as an important implicit contingent liability for the government, although potential risks to the public finances are currently mitigated by the strong condition of the banking sector. Qatar's short-term foreign currency rating and short-term local currency rating have also been affirmed at 'A1+' with 'Stable' outlook for the ratings. Asserting that Qatar's 'Stable' outlook is likely to remain unchanged over the next 12 months, CI stated the outlook balances the projected improvement in government debt metrics over the forecast horizon against substantial geopolitical risks. (Gulf-Times.com)
- **India farming, railways expos to offer huge potential for businesses in Qatar –** India is organizing two major international exhibitions relating to farming and railways in October this year, both of which offer huge potential for businesses in Qatar. National Co-operative Development Corporation (NCDC) is organizing India International Co-operative Trade Fair (IICTF) from October 11 to 13 at Pragati Maidan, New Delhi. The trade fair will be the first of its kind and aimed at promoting co-operative to co-operative trade within India and abroad leading to enhanced rural and farm linkages and connectivity. The trade fair will offer huge opportunities for all the Gulf countries, especially Qatar, in terms of business networking, product sourcing and above all, interacting with the primary producers of a wide range of products and service providers, according to the organizers. The fair will feature conferences, exhibitions, B2B meetings, sales promotion, marketing and products display business, networking, policy advocacy; providing excellent opportunity to the participants to collaborate and explore business prospects with the cooperative organizations from India and abroad. Apart from having seminars on thematic and sectoral cooperative business issues, the focus sectors will be credit and finance services, co-op banking, insurance, cyber security, technology and capacity building, agri-business and food processing, textiles, packaging, storage, farm machinery, livestock, dairy, fisheries, handlooms, handicrafts, textiles, FMCG, health and hospitality, trade, marketing and brand promotion. (Gulf-Times.com)
- **'Qatar offers opportunities for Filipino medical professionals' –** The Middle East may compete with Europe in terms of attracting medical professionals in a bid to address the increasing demand for high-quality and world-class healthcare services, according to an official of the Philippine Business Council-Qatar (PBC-Q). PBC-Q Chairman Greg Loayon said Qatar has invested heavily in

developing the country's healthcare system, which would require both first-rate facilities and human resources. Similarly, he also noted "Europe is ramping up demand for medical professionals." Loayon's statement reaffirms an earlier statement from the Ministry of Public Health (MoPH), which reported that Qatar had invested QR22.7bn in healthcare last year, a 4% increase from 2017. The country's healthcare spending is among the highest in the Middle East, the MoPH stated. London-based think tank, Legatum Institute, also corroborated this in a report, which said Qatar's health system ranked fifth 'Best in the World' and the first in the Middle East, the ministry said. According to Loayon, there is an opportunity for medical professionals worldwide, particularly Filipino doctors and nurses, as well as practitioners of ancillary services, such as laboratory technicians and personnel, physical therapists, and physiotherapists to offer their services amid the burgeoning healthcare sector in Qatar, as well as in other countries. (Gulf-Times.com)

- **Qatar's July consumer prices fall 0.63% YoY and 0.16% MoM –** Planning and Statistics Authority in Doha has published consumer price indices for July on website, which showed July rate of change in general index declined 0.63% YoY (vs. -0.41% in the previous month). Prices fell 0.16% MoM in July (vs. +0.67% in the previous month). Price index for recreation and culture fell 12% YoY, housing and utilities fell 2.58% from year earlier. (Bloomberg)
- **Asean-Qatar ties set to witness further growth, says envoy –** Vietnam's embassy in Doha on Thursday marked the Association of South East Asian Nations (Asean) Day in the presence of representatives from its member states. Nguyen Dinh Thao, Vietnam's Ambassador and the current Chairman of the Asean Committee in Doha (ACD), said "this year the celebration is significant and historic as it marks 52 years since Asean was established." He said the group has become a family of 10 nations of varied identities, cultures and religious backgrounds, yet embracing the same ideals of shared cooperation for peace and mutual prosperity as one harmonious community. The Ambassador said Asean enjoys excellent relations with Qatar and other GCC countries. (Gulf-Times.com)

International

- **US inflation picking up; Fed rate cut still expected –** US consumer prices increased broadly in July, but the signs of an acceleration in inflation will likely do little to change market expectations that the Federal Reserve will cut interest rates again next month amid worsening trade tensions. The report from the Labor Department on Tuesday, however, lowered the chances that the US central bank would cut rates by half a percentage point at its September 17-18 policy meeting. Financial markets have fully priced in a 25-basis-point reduction following a recent escalation in the bruising trade war between the US and China, which sparked a stock market sell-off and caused an inversion of the US Treasury yield curve, heightening the risk of a recession. President Donald Trump announced last month an additional 10% tariff on $300bn worth of Chinese imports starting September 1. China let its currency, the Yuan, slide past the key 7-per-Dollar level to its lowest point since the 2008 global financial crisis before trying to stem the decline. On Tuesday, the Trump administration delayed the imposition of the additional tariff on certain Chinese imports, including technology products and clothing, until mid-December. Economists said the move still left a cloud over the US economy. Fears about the impact of the trade fight on the economic expansion, the longest in history, prompted the Fed to cut its short-term lending rate by 25 basis points last month for the first time since 2008. (Reuters)
- **UK jobs market shines, but clouds on horizon –** Britain's labor market showed unexpected strength in the second quarter but economists said this could prove a high water mark, after figures last week showed the economy contracted as businesses braced for a potentially disruptive Brexit. Average weekly earnings rose by an annual 3.7% in the three months to June - the highest rate since June 2008 and up from 3.5% in May. Excluding volatile bonuses, annual pay growth reached 3.9% - also an 11-year high and beating economists' average forecast in a Reuters poll. The jobs market has been a silver lining for the economy since the Brexit vote in June 2016, something many economists have attributed to employers preferring to hire workers they can later lay off rather than making longer-term commitments to investment. Britain created a net 115,000 jobs in the second quarter, the Office for National Statistics (ONS) stated, almost twice the gain forecast and taking the level of employment to a record 32.811mn. (Reuters)
- **Recession fears in focus as German investor morale nosedives –** The mood among German investors plummeted in August to its most pessimistic since the peak of the Eurozone debt crisis, a leading survey showed on Tuesday, heightening concerns that Europe's biggest economy is heading for recession. The sharp drop in the monthly ZEW survey, blamed on trade conflict and uncertainty over Brexit, sent German blue-chip shares .GDAXI to an intraday low as it prompted investors to switch into safer assets like government bonds. Economic sentiment among investors fell to -44.1 from -24.5 in July, its lowest since December 2011 and way short of expectations for a dip to -28.5. "The ZEW survey gives a further clear warning signal of recession for the German economy," said Uwe Burkert, Chief Economist at LBBW Research. Traditionally driven by strong sales of its products abroad, Germany's economy has this year increasingly relied on domestic demand to spur growth as exports, led by manufactured goods, have been hit by a broad-based downturn and tariff disputes that have acted as a brake on global trade. Data on Wednesday is expected to show German GDP shrank marginally quarter on quarter between April and June, and economists are scaling back their already modest forecasts for the third quarter. ZEW President Achim Wambach said the survey pointed to a significant deterioration in the economic outlook, and its gauge measuring investors' assessment of current conditions fell to -13.5 from -1.1 in July. Analysts had predicted -7.0. (Reuters)
- **Reuters poll: Bank of Japan now more likely to ease further, economists say –** The chances the Bank of Japan (BoJ) eases further have increased, according to over half of economists polled by Reuters after the central bank last month committed to expanding stimulus if a global slowdown derails the economic recovery here. Should the Japanese currency strengthen to below 100 Yen on the Dollar - which would hurt the nation's vital exporters - that could also prompt the central bank to loosen policy further, many analysts said. The Yen firmed to a seven-

month high this week. Last month, the BoJ stated it would ease policy “without hesitation” if overseas risks prolong and threaten the economy’s momentum to hit its price goal. Asked if chances of the central bank easing further had increased after its July policy meeting, 21 of 38 economists in the August 2-13 poll answered “yes” and 17 said “no”. Figures out Friday showed Japan’s economy expanded faster than expected, growing at an annual pace of 1.8% in the second quarter on healthy consumer spending and business investment even though exports struggled. Still, the stronger Yen and escalating US-China trade war have many experts worried. Most economists polled - 30 of 38 - predicted the BoJ’s next move will be to ease. (Reuters)

- **China tariff delays pull European shares out of doldrums –** European shares staged a comeback from early losses on Tuesday as growth sectors led the charge, after Washington’s move to delay tariffs on some Chinese goods provided a lift to battered global sentiment. The US administration will delay imposing a 10% tariff on certain Chinese products, including laptops and cell phones, beyond September, the Office of the US Trade Representative said on Tuesday. A separate list also included some imports that would be exempted altogether from tariffs. That supported a move back to riskier assets after a cocktail of negative drivers had pressured markets for the past few sessions. (Reuters)
- **China’s July industrial output growth falls to 17-year low as trade war escalates, retail sales disappoint –** China reported a raft of unexpectedly weak July data on Wednesday, including a surprise drop in industrial output growth to a more than 17-year low, underlining widening economic cracks as the trade war with the US intensifies. Industrial output grew 4.8% in July from a year earlier, data from the National Bureau of Statistics showed on Wednesday, lower than the most bearish forecast in a Reuters poll. Analysts had forecasted industrial output growth would slow to 5.8%, from June’s 6.3% growth, amid weakened demand at home and abroad. The US had sharply raised tariffs on a large share of its Chinese imports in May. Despite more than a year of growth boosting measures, Wednesday’s data showed China’s domestic demand remains sluggish, with gloomy July factory surveys, stubbornly soft imports and weaker-than-expected bank lending data released in recent days reinforcing views that Beijing needs roll out more stimulus soon to support the economy. (Reuters)

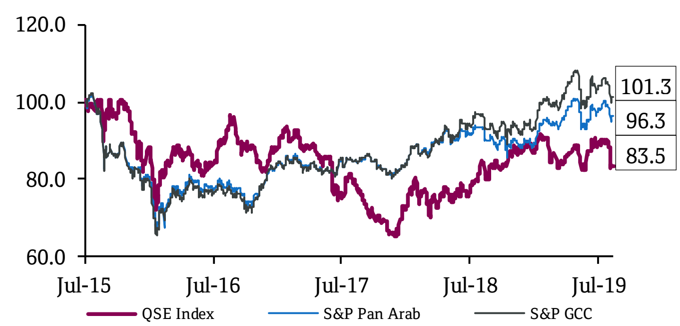
Regional

- **Middle East has smallest surplus of oil tankers since late June –** The excess of VLCCs in the Middle East in the next 30 days is set to drop to lowest since the end of June, Bloomberg survey showed. There is a 28% surplus of tankers available in the region versus anticipated cargoes over the period, according to the median estimate of three shipbrokers and one owner. This is the lowest since June 28, 2019 and seasonal five-year average is about 20%. (Bloomberg)
- **Moody's: GCC countries’ fiscal reform progress will remain slow and uneven –** Although policy measures have slowed fiscal deterioration linked to lower oil prices in the GCC, most GCC sovereigns will continue to run fiscal deficits and accumulate debt if prices remain moderate as expected, Moody's Investors Service (Moody's) stated in a report. At the current moderate oil price levels, Moody's expects that the GCC governments will increase spending and delay unpopular austerity measures to preserve high living standards and social stability, implying that fiscal breakevens are unlikely to decline significantly in the near- to medium-term. Alexander Perjessy, a Moody's Vice President – Senior Analyst and the report's co-author said, “Lower oil prices since 2014 have significantly weakened GCC sovereigns' public finances. The implementation of fiscal consolidation measures and reforms has been uneven across the six GCC sovereigns and has so far been more concentrated on the expenditure side. Most GCC countries have recently begun to reverse these cuts, with total government spending across the GCC rising by around 10% in 2018.” (Moody's)
- **IATA: Middle Eastern carriers post 8.1% demand increase in passenger segment in June –** Middle Eastern carriers posted an 8.1% demand increase in the passenger segment in June compared to the same month last year, which was well up on the 0.6% annual increase recorded in May, the International Air Transport Association (IATA) has stated. The timing of Ramadan, which fell almost exclusively in May this year, likely contributed to the strongly contrasting outcomes. Capacity rose 1.7% and load factor jumped 4.5 percentage points to 76.6%. June international passenger demand rose 5.4% compared to June 2018, which was an improvement from 4.6% annual growth recorded in May. All regions recorded increases in growth, led by airlines in Africa. Capacity rose 3.4%, and load factor climbed 1.6 percentage points to 83.8%. (Gulf-Times.com)
- **IEA says oil demand growth at lowest since 2008 –** Mounting signs of an economic slowdown and a ratcheting up of the US-China trade war have caused global oil demand to grow at its slowest pace since the financial crisis of 2008, the International Energy Agency (IEA) stated. “The situation is becoming even more uncertain global oil demand growth has been very sluggish in the first half of 2019,” the IEA stated in its monthly report. The based agency stated that compared with the same month in 2018, global demand fell by 160,000 barrels per day (bpd) in May - the second YoY fall of 2019. From January to May, oil demand increased by 520,000 bpd, marking the lowest rise for that period since 2008. (Reuters)
- **Saudi Aramco remains world’s most profitable company even as oil falls –** Saudi Aramco showed it’s still the world’s most profitable company - and paid out almost all its net income in dividends - despite the dwindling price of oil. Saudi Aramco’s profit slid 12% to $46.9bn in the first six months of 2019, the state-owned energy giant stated in its first-ever half-year earnings report. Saudi Aramco stated total revenues including other income related to sales were at $163.88bn in the first half of this year, down from $167.68bn a year earlier, on lower oil prices and reduced production. Saudi Aramco’s capex in 1H2019 stood at $14.5bn and free cash flow at $37.98bn. Impact of lower oil prices and higher operating costs on operating cash flow was offset by the favorable impact of working capital changes. Despite lower oil prices during 1H2019, continued to deliver solid earnings and strong free cash flow underpinned by consistent operational performance, cost management and fiscal discipline. Increase in free cash flow was driven in large part by a 12% decrease in capital expenditure. Khalid Al-Dabbagh, Senior Vice President for finance, strategy and development said, “We have some of the largest and most productive reservoirs on Earth. The

company's unrivaled financial results amid lower oil prices are a testament to our resilience." Saudi Aramco paid out $46.4bn in dividends in the first half. That included a $20bn special payout to its owner - the Saudi government - which compares with a $6bn payout last year. (Bloomberg, Reuters)

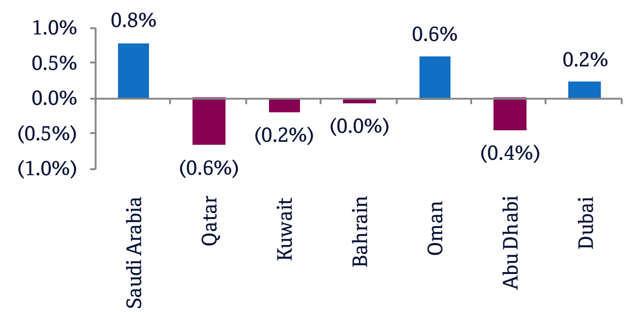
- **Saudi Arabia's trade with four Gulf States plunges 5.5% in five months –** The trade exchange between Saudi Arabia and four Gulf countries (the UAE, Bahrain, Kuwait, and Oman) decreased during the first five months of 2019, according to data released by the Kingdom's General Authority for Statistics (GAS). The bilateral trade between Saudi Arabia and the four countries has declined by 5.5% in value to SR43bn from January 2019 to the end of May, compared to SR45.48bn in the year-ago period. Saudi exports to those countries went down to SR18.82bn in the fifth-month period ended May 31, 2019, from SR20.28bn the year before. Meanwhile, Riyadh's imports from the UAE, Kuwait, Oman, and Bahrain declined to SR24.19bn in five months. (Zawya)
- **Ma'aden's unit required approvals to acquire Meridian Group –** Ma'aden Marketing and Distribution Company, which is fully owned by Saudi Arabian Mining Company (Ma'aden), has received the applicable regulatory approval to complete the transaction to acquire 85% of Meridian Group. The financial impact of the acquisition is expected to be reflected in the financial results of the third quarter of 2019. (Tadawul)
- **Saudi Aramco plans to buy Reliance Refining stake as earnings drop –** Saudi Aramco plans to buy a stake in the refining and chemicals business of India's Reliance Industries Ltd., moving to diversify from Saudi Arabia as its first half-year earnings report showed a drop in net income. The purchase by Saudi Aramco precedes a planned public offering that could be held as early as next year. Profit slid 12% to $46.9bn in the first six months as crude prices fell and costs rose, the state-owned company stated. Khalid Al-Dabbagh, Senior Vice President for finance, strategy and development said, "In downstream we will further profitably diversify our operations and increase petrochemicals production. The details of the agreement with Reliance remain in the early stages." (Bloomberg)
- **Saudis to limit oil exports in September to stabilize market –** Saudi Arabia plans to keep oil exports below 7mn barrels a day next month as OPEC's biggest producer allocates less crude than customers demand in a bid to stabilize the market. Saudi Aramco will cut customer allocations across all regions by a total of 700,000 barrels a day next month, the officials said, according to sources. The country's production will be lower in September than in this month. For North American customers, the Kingdom will send about 300,000 barrels a day less than they nominated for oil scheduled to load in September. Reductions to European buyers will be larger, said the person, who is familiar with Saudi policy. There will also be modest cuts to Asian buyers. (Bloomberg)
- **Senior Executive: Saudi Aramco is ready for IPO –** Saudi Aramco is ready for its initial public offering (IPO), but timing for the deal will be decided by its sole shareholder, the Saudi government, according to Khalid Al-Dabbagh, Senior Vice President of finance, strategy and development. Al-Dabbagh said, "We will announce (the IPO) depending on their (the government's) perception on what would be the optimum market condition." Saudi officials have said the government plans to list Saudi Aramco in 2020-2021, a deal seen as the centerpiece of the Kingdom's economic transformation drive to attract foreign investment and diversify away from oil. (Reuters)
- **Emirates NBD applies to make tender call for Denizbank shares –** Emirates NBD seeks approval from Turkey's capital markets board to make a mandatory tender call to minority shareholders in Denizbank, according to public filing. Emirates NBD completed the purchase of the Turkish lender from Moscow-based Sberbank last month. (Bloomberg)
- **KUNA: Kuwait compliance with oil cuts at 160% in July –** Despite oil price drop, market still supported by unprecedented compliance with oil cuts by OPEC producers, Kuwaiti Oil Minister, Khaled Al-Fadhel said, according to state news agency KUNA. The Minister said, "Kuwait compliance with oil cuts was at 160% in July. Kuwait to continue to abide by oil cuts agreements to help rebalance market." He added oil market almost stable; global demand acceptable and should improve in 2H2019 due to end of seasonal maintenance for refineries around the world, and start of many new refineries in Asia, Middle East. (Bloomberg)
- **Kuwait cuts crude OSPs to Asia while raising prices to Europe –** Kuwait lowers crude prices to Asian buyers for September, while raising OSPs to NW Europe and the Med, according to statement from Kuwait Petroleum. September export crude to Asia set at $1 per barrel premium to Oman/Dubai benchmark, a cut of 40c from August. Northwest Europe set at $2.45 per barrel discount to Dated Brent versus $4.95 discount in August. Med set at $1.45 per barrel discount, narrowing from $4 discount for this month. Kuwait crude to US unchanged MoM at premium of $1.05 per barrel to benchmark. (Bloomberg)
- **Moody's: Bahrain's credit profile reflects a weak balance sheet and susceptibility to external and liquidity risks –** The credit profile of Bahrain (B2 Stable) reflects a sharp and persistent deterioration in the government's balance sheet, which has intensified since the oil price decline in 2014, Moody's Investors Service (Moody's) stated in an annual report. "Bahrain's public finances are highly sensitive to oil price fluctuations because of a very high share of oil-related revenues in government revenue and a very high fiscal breakeven oil price. The sovereign is also highly susceptible to government liquidity and external vulnerability risks," Alexander Perjessy, a Moody's Vice President – Senior Analyst and the report's co-author said. Credit strengths include very high per capita income, a diversified economy compared with fellow GCC states and a positive net international investment position. Together, these factors provide some shock-absorption capacity. The credit profile is also supported by the financial support package committed in 2018 by neighboring GCC governments, equivalent to more than 25% of GDP. A more rapid fiscal consolidation than expected that stabilizes and eventually decreases the government's debt burden would be positive for the sovereign credit profile. A substantial and sustained rebuilding of the central bank's foreign-currency buffers that materially decreases external vulnerability would also be positive. Conversely, slower than expected fiscal consolidation that would potentially threaten GCC disbursements or undermined investor confidence would be negative. (Moody's)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,501.55	(0.6)	0.6	17.1
Silver/Ounce	16.97	(0.6)	0.0	9.5
Crude Oil (Brent)/Barrel (FM Future)	61.30	4.7	4.7	13.9
Crude Oil (WTI)/Barrel (FM Future)	57.10	4.0	4.8	25.7
Natural Gas (Henry Hub)/MMBtu	2.24	1.4	7.2	(29.7)
LPG Propane (Arab Gulf)/Ton	40.75	1.9	(1.8)	(36.3)
LPG Butane (Arab Gulf)/Ton	44.75	2.0	0.0	(35.6)
Euro	1.12	(0.4)	(0.3)	(2.6)
Yen	106.74	1.4	1.0	(2.7)
GBP	1.21	(0.1)	0.2	(5.4)
CHF	1.02	(0.7)	(0.4)	0.5
AUD	0.68	0.7	0.2	(3.5)
USD Index	97.81	0.4	0.3	1.7
RUB	64.92	(0.8)	(0.6)	(6.9)
BRL	0.25	0.4	(0.6)	(2.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,134.54	0.8	(0.0)	13.3
DJ Industrial	26,279.91	1.4	(0.0)	12.7
S&P 500	2,926.32	1.5	0.3	16.7
NASDAQ 100	8,016.36	1.9	0.7	20.8
STOXX 600	372.40	0.3	(0.1)	7.7
DAX	11,750.13	0.3	0.2	8.7
FTSE 100	7,250.90	0.2	(0.1)	2.0
CAC 40	5,363.07	0.7	0.4	10.7
Nikkei	20,455.44	(2.1)	(2.1)	5.9
MSCI EM	968.87	(0.6)	(1.3)	0.3
SHANGHAI SE Composite	2,797.26	(0.4)	1.1	9.5
HANG SENG	25,281.30	(2.1)	(2.6)	(2.4)
BSE SENSEX	36,958.16	(1.7)	(1.7)	0.5
Bovespa	103,299.50	2.1	(1.0)	15.1
RTS	1,297.85	0.3	0.6	21.4

Source: Bloomberg (*$ adjusted returns)

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