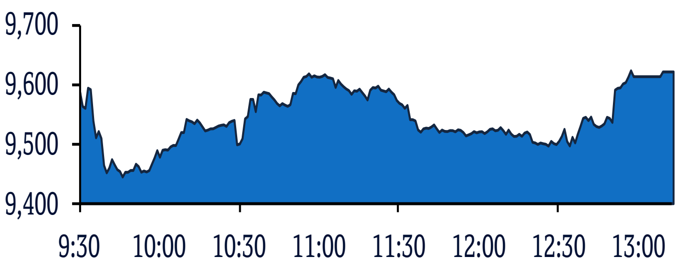
Daily Market Report

Sunday, 18 August 2019

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.6% to close at 9,621.7. Losses were led by the Telecoms and Insurance indices, falling 3.0% and 2.5%, respectively. Top losers were Qatar Cinema & Film Distribution Company and Vodafone Qatar, falling 9.5% and 4.6%, respectively. Among the top gainers, Qatar Fuel Company gained 1.4%, while Al Khalij Commercial Bank was up 0.9%.

GCC Commentary

Saudi Arabia: Market was closed on August 15, 2019.

Dubai: The DFM Index declined 1.3% to close at 2,795.8. The Investment & Financial Services index fell 2.2%, while the Telecommunication index declined 2.1%. Almadina for Finance and Investment Company fell 9.9%, while Ekttitab Holding Company was down 6.8%.

Abu Dhabi: The ADX General Index gained marginally to close at 5,054.7. The Investment & Financial Services index rose 1.2%, while the Services index gained 0.6%. Manazel Real Estate rose 6.2%, while AXA Green Crescent Insurance Company was up 3.9%.

Kuwait: The Kuwait All Share Index fell 0.8% to close at 6,075.2. The Telecommunications index declined 2.2%, while the Consumer Goods index fell 1.3%. Aan Digital Services Company declined 11.3%, while Al-Eid Food Company was down 9.9%.

Oman: Market was closed on August 15, 2019.

Bahrain: The BHB Index fell 0.3% to close at 1,535.2. The Commercial Banks index declined 0.4%, while the Investment index fell 0.3%. GFH Financial Group declined 2.1%, while Seef Properties was down 1.0%.

Market Indicators	15 Aug 19	14 Aug 19	%Chg.
Value Traded (QR mn)	215.5	209.3	3.0
Exch. Market Cap. (QR mn)	529,413.4	532,149.0	(0.5)
Volume (mn)	60.9	43.7	39.3
Number of Transactions	8,729	7,663	13.9
Companies Traded	44	44	0.0
Market Breadth	6:33	9:31	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,704.73	(0.6)	(2.2)	(2.4)	14.3
All Share Index	2,838.92	(0.6)	(2.3)	(7.8)	14.4
Banks	3,737.99	(0.3)	(2.5)	(2.4)	12.9
Industrials	2,864.76	(0.4)	(2.4)	(10.9)	16.5
Transportation	2,404.61	(0.8)	(1.5)	16.8	15.6
Real Estate	1,390.09	(1.3)	(1.6)	(36.4)	15.6
Insurance	2,640.70	(2.5)	(4.7)	(12.2)	15.8
Telecoms	841.31	(3.0)	(4.3)	(14.8)	19.6
Consumer	8,048.83	0.4	(0.1)	19.2	16.1
Al Rayan Islamic Index	3,765.26	(0.7)	(1.7)	(3.1)	14.1

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
First Abu Dhabi Bank	Abu Dhabi	15.12	1.1	2,663.4	7.2
DP World	Dubai	13.90	0.7	221.3	(18.7)
Qatar Electricity & Water	Qatar	14.60	0.7	943.8	(21.1)
Barwa Real Estate Co.	Qatar	3.30	0.6	1,658.0	(17.3)
Qatar Gas Transport Co.	Qatar	2.20	0.5	3,254.6	22.7

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
DAMAC Properties	Dubai	0.93	(3.2)	3,413.4	(38.6)
Mobile Telecom. Co.	Kuwait	0.58	(3.0)	9,108.7	29.2
Qatar Insurance Co.	Qatar	2.94	(3.0)	1,876.4	(18.1)
Dubai Investments	Dubai	1.32	(2.2)	1,238.3	4.8
Ooredoo	Qatar	6.26	(2.2)	1,055.9	(16.5)

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%
Qatar Fuel Company	21.40	1.4	722.6	28.9
Al Khalij Commercial Bank	1.15	0.9	59.0	(0.3)
Qatar Electricity & Water Co.	14.60	0.7	943.8	(21.1)
Barwa Real Estate Company	3.30	0.6	1,658.0	(17.3)
Qatar Gas Transport Company Ltd.	2.20	0.5	3,254.6	22.7

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.34	(2.6)	7,963.8	(17.9)
Ezdan Holding Group	0.61	(2.3)	7,633.0	(53.2)
Mesaieed Petrochemical Holding	2.51	0.4	4,037.9	67.0
Doha Bank	2.50	(2.7)	3,893.1	12.6
Qatar Aluminium Manufacturing	0.77	(2.5)	3,545.4	(42.5)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	2.00	(9.5)	0.7	5.2
Vodafone Qatar	1.25	(4.6)	2,642.9	(20.0)
Qatar Oman Investment Co.	0.51	(4.0)	111.0	(5.2)
Salam International Inv. Ltd.	0.40	(3.6)	1,072.8	(8.5)
Al Meera Consumer Goods Co.	14.20	(3.1)	233.7	(4.1)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.70	0.0	57,740.6	(9.2)
Industries Qatar	9.92	(0.8)	16,696.6	(25.8)
Qatar Fuel Company	21.40	1.4	15,145.9	28.9
Qatar Electricity & Water Co.	14.60	0.7	13,666.2	(21.1)
Qatar Islamic Bank	15.00	0.0	11,859.0	(1.3)

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*	9,621.70	(0.6)	(2.2)	(8.4)	(6.6)	59.09	145,429.9	14.3	1.7	4.5
Dubai	2,795.76	(1.3)	(1.5)	(4.2)	10.5	45.88	99,566.0	11.7	1.0	4.4
Abu Dhabi	5,054.66	0.0	(0.8)	(5.0)	2.8	40.88	139,180.0	14.8	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	6,075.18	(0.8)	(0.5)	(0.7)	19.6	109.07	113,474.6	14.9	1.5	3.5
Oman#	3,861.51	0.6	2.2	2.7	(10.7)	5.73	16,928.0	7.7	0.8	7.1
Bahrain	1,535.20	(0.3)	(0.5)	(0.8)	14.8	1.75	24,016.7	11.3	1.0	5.1

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any; #Data as of August 8, 2019)

Qatar Market Commentary

- The QE Index declined 0.6% to close at 9,621.7. The Telecoms and Insurance indices led the losses. The index fell on the back of selling pressure from non-Qatari shareholders despite buying support from Qatari and GCC shareholders.
- Qatar Cinema & Film Distribution Company and Vodafone Qatar were the top losers, falling 9.5% and 4.6%, respectively. Among the top gainers, Qatar Fuel Company gained 1.4%, while Al Khalij Commercial Bank was up 0.9%.
- Volume of shares traded on Thursday rose by 39.3% to 60.9mn from 43.7mn on Wednesday. Further, as compared to the 30-day moving average of 57.9mn, volume for the day was 5.1% higher. Qatar First Bank and Ezdan Holding Group were the most active stocks, contributing 13.1% and 12.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	35.44%	24.48%	23,626,012.61
Qatari Institutions	24.79%	13.38%	24,595,380.22
Qatari	**60.23%**	**37.86%**	**48,221,392.83**
GCC Individuals	1.59%	1.74%	(314,304.81)
GCC Institutions	0.68%	0.36%	692,651.51
GCC	**2.27%**	**2.10%**	**378,346.70**
Non-Qatari Individuals	9.51%	9.45%	141,338.26
Non-Qatari Institutions	27.97%	50.59%	(48,741,077.78)
Non-Qatari	**37.48%**	**60.04%**	**(48,599,739.53)**

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 Khazna Insurance Company	Abu Dhabi	AED	0.2	-98.9%	–	–	11.3	257.9%

Source: Company data, DFM, ADX, MSM, TASI, BHB.

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08/15	US	Department of Labor	Initial Jobless Claims	10-August	220k	212k	211k
08/15	US	Department of Labor	Continuing Claims	3-August	1,726k	1,685k	1,687k
08/15	US	Federal Reserve	Industrial Production MoM	July	-0.2%	0.1%	0.2%
08/15	US	Federal Reserve	Manufacturing (SIC) Production	July	-0.4%	-0.3%	0.6%
08/15	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	June	-3.3%	–	-3.6%
08/15	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	June	-3.8%	–	-4.1%

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

News

Qatar

- **GDI signs joint venture agreement with Seadrill Limited –** Gulf Drilling International (GDI), a wholly owned subsidiary of Gulf International Services (GISS), has executed a joint venture agreement with Seadrill Limited to service the Qatar Petroleum North Field Expansion drilling program. The joint venture, which will be established by Qatar Financial Centre under a 50:50 ownership structure, will be named ‘GulfDrill’. The joint venture is formed to support the execution of the drilling contracts, which have been awarded to GDI, a release issued by GISS stated. GDI has no required capital contribution to the joint venture. GDI will be subcontracted by the joint venture to mobilize and manage the rigs to meet the requirements of the drilling contracts. The joint venture will source rigs directly from Seadrill Limited, and any additional rigs required will be sourced from an unrelated third-party shipyard. The firm terms of the well-based contracts will commence in 2020 with initial terms concluding in 2023 and 2024 and an estimated total contract value (including mobilization income) of QR2.39bn. The contracts include single well-based options which could add up to an estimated 13.7 cumulative years of term and an additional contract value of QR2.55bn. The options could be exercised only if the contractual stipulations are realized prior to the end of the firm contracts period. If the options are exercised by the customer at a later date, GISS will announce the award of the options accordingly. (Gulf-Times.com)
- **QCB: Qatar to register strong economic growth this year –** Qatar will likely maintain its position as one of the fastest growing economies in the GCC and will register a strong growth in 2019, the Qatar Central Bank (QCB) stated in its 2018 Annual Report. It added that favorable movements in global oil prices, strong exports and improvement in fiscal balance are likely to provide overall macroeconomic stability in 2019. While the Qatari economy remained robust and stable last year, real GDP growth has somewhat moderated to 1.4% in 2018, from 1.6% in 2017. With several FIFA World Cup 2022 related projects near completion stage, and as a result of the ongoing economic diversification strategy, sources of growth for non-hydrocarbon sector have been getting diversified. Going forward, as per the Qatar Economic Outlook released by Planning and Statistics Authority, real GDP is projected to grow at average rate of 2.8% during 2018-2020. The estimated budget surplus will fall to QR4.35bn in 2019, from a surplus of QR15.1bn in 2018, because of increase in expenditure on major projects by 15%. Total

public revenue is estimated to increase by 1.5% to QR211bn. Revenue from ‘oil and gas’ is budgeted at QR168bn, a decline of three percent from the actual of 2018. Total public expenditure has also been budgeted at QR206.7bn during 2019, an increase of 1.7% and 7.2% over the budget estimates and the actual of 2018, respectively. (Peninsula Qatar)

- **Russia's VTB bank buys 19% stake in Qatar's CQUR bank –** Russia's second biggest bank VTB has acquired a 19% stake in Qatari lender CQUR Bank which was set up early this year, Interfax news agency reported, citing VTB's quarterly financial report and the Qatari Financial Centre. (Zawya)
- **Qatar’s Islamic finance sector to get central regulation; profitability remains high –** The Islamic finance sector in Qatar is moving towards a higher level: Efforts are underway to standardize and centralize the regulations for entire Islamic banking and finance industry in order to align the sector with the best global practices. This is the core of the recent initiative of the Qatar Central Bank (QCB) to adopt central supervision for the sector, following the examples of countries such as Malaysia and Indonesia and others in the GCC in order to harmonize Shari’ah-compliant banking products and financial services. The QCB - according to its Financial Stability Review for 2018 – stated that measures were in place to establish a centralized Shari’ah supervisory body and create Shari’ah standards to govern Islamic banking products and transactions. This would end the practice of Qatari Islamic banks of self-governing by individual Shari’ah boards and also help overcome controversies over some non-standard financial product structures. Further details are still to be announced especially the date of the launch of such a centralized supervisory body, and how it will operate. This is of importance particularly for international financial institutions seeking to do Shari’ah-compliant business with Qatari banks and financial institutions. The sector was profitable with earnings before taxes and zakat of $1.8bn at revenue of $9.51bn in the fourth quarter of 2018, translating into return-on-equity of a sound 18.9% in the period. As for core financial indicators, the average capital adequacy ratio of Qatar’s Islamic banks stood at 18.2%, well above the minimum ratio of capital to risk-weighted assets of 10.5% under the Basel III framework, ensuring that the banks have enough cushion to absorb a reasonable amount of losses before they would become insolvent. (Gulf-Times.com)
- **ValuStrat: Median ticket size for Qatar residential houses stood at QR2.8mn in 2Q2019 –** Median ticket size for residential houses in Qatar stood at QR2.8mn in the second quarter of this year, research and consultancy firm ValuStrat stated in a report. As many as five largest ticket sizes were seen in The Pearl, New Salata, Lusail and Abu Hamour for dwellings ranging from 1,400 square meters to 5,500 square meters, ValuStrat stated in its ‘Qatar Real Estate Market 2nd Quarter 2019 Review’. Median transacted ticket sizes for houses increased by 12% quarterly and 3% annually, it stated. The QoQ increase in median transacted prices can be attributed to larger ticket sizes of housing transactions experienced in areas such as Al Kharaitiyat, Al Markhiya, Lusail, Abu Hamour, Madinat Al Khalifa and Rawdhat Al Hamama, the report stated. Transactional volumes for houses declined 25% QoQ and 14% YoY. As many as 53 transactions were recorded for residential buildings in the second quarter with Rawdhat Al Khail, Al Sadd, Najma, Al Wakrah and Muaither having the largest transacted prices. As of May this year, transactional volume in The Pearl and West Bay Lagoon was 274 units with a total value of QR612mn, ValuStrat stated. Residential median asking rents declined 5.6% YoY and 1.5% QoQ, while the median monthly asking rent for apartments fell 1.1% quarterly and 5.4% annually. (Gulf-Times.com)

International

- **Fitch: Global rate cuts mark broadest policy shift since crisis –** A flurry of interest rate cuts by the US Federal Reserve and a host of other central banks marks the broadest shift in global monetary policy since the depths of the financial crisis in 2009, analysts at Fitch Ratings stated in a report. Led by the Fed’s policy pivot, which took rate hikes off the table in December and then cut borrowing costs last month, Fitch stated its geographic diffusion index of central bank policy plummeted from a strong bias towards tightening to what is now a marked tendency toward easing, or cutting rates. It’s the type of coordinated change that characterized how central banks responded to the financial crisis with across-the-board rate cuts, Dollar swap lines extended by the US central bank to other countries, and a series of other exceptional steps to keep the world economy afloat. Macroeconomic conditions are nowhere near as bad now, Fitch analysts said in an interview, and the policy shift in the last few months has been much less extensive. (Reuters)
- **QNB Group: Rising trade tensions continue to weigh on global markets –** Heightened trade tension will continue to affect sentiment and tighten global financial market conditions such as increasing the overall stress level in money, bond and equity markets, QNB Group has stated in an economic commentary. Bond markets were particularly volatile in recent days. In fact, over the 72-hour period from July 30 to August 1, market expectations about the future path of US policy rates fluctuated significantly. The initial movement in market expectations followed the July 30-31 meeting of the Federal Reserve’s Federal Open Market Committee (FOMC), when policy rates were cut for the first time in more than 10 years. The target for the Fed funds rate was adjusted down by 25 basis points (bps) to 2-2.25%. The FOMC has also announced an early end of balance sheet normalization or quantitative tightening two months ahead of schedule. Official reasons for the actions included slowing global growth, trade policy uncertainty, muted inflation pressures and inflation expectations, and soft US manufacturing data. Despite the Fed decision, markets have interpreted the official communication as moderately hawkish. After the FOMC meeting, market confidence in aggressive rate cuts diminished with the implied probability of further Fed funds rate cuts dropping materially. The probability of rate cuts in the upcoming FOMC meetings in September, October and December fell from 100% to 62.7%, 78.7% and 85.1%, respectively. As a result, the Dollar strengthened and the US yield curve inverted further. (Gulf-Times.com)
- **Strong US retail sales ease gloom over economy –** The US retail sales surged in July as consumers bought a range of goods even as they cut back on motor vehicle purchases, helping to assuage financial market fears that the economy was heading into

recession. The upbeat report from the Commerce Department, however, will likely not change expectations that the Federal Reserve will cut interest rates again next month as news from the manufacturing sector remains dour, underscoring the darkening outlook for the economy against the backdrop of trade tensions and slowing growth overseas. Retail sales increased 0.7% last month after gaining 0.3% in June, the government stated. Economists polled by Reuters had forecasted retail sales would rise 0.3% in July. Compared to July last year, retail sales increased 3.4%. (Reuters)

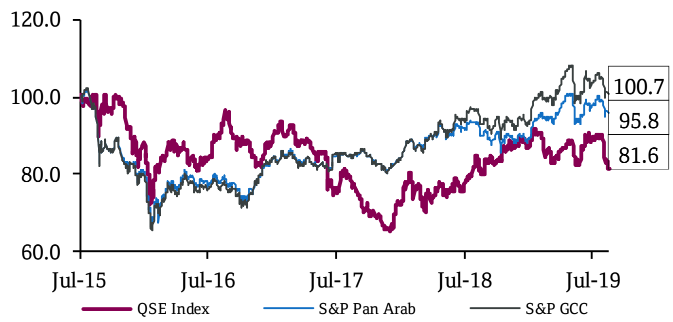
- **US housing market mired in weakness; consumer sentiment ebbs –** The US homebuilding fell for a third straight month in July amid a steep decline in the construction of multi-family housing units, but a jump in permits to a seven-month high offered hope for the struggling housing market. Declining mortgage rates have done little to stimulate the housing market as land and labor shortages constrain builders' ability to construct sought-after lower-priced homes. Housing and manufacturing are the weakest spots in the economy, which this week has seen a heightened risk of recession. Housing starts dropped 4.0% to a seasonally adjusted annual rate of 1.191mn units last month, the Commerce Department stated. Data for June was revised down to show starts falling to a pace of 1.241mn units, instead of dropping to a rate of 1.253mn units as previously reported. Economists polled by Reuters had forecasted housing starts would edge up to a pace of 1.257mn units in July. Worries tied to the trade tensions and Fed rate cut weighed on consumer sentiment in early August, another report showed. The University of Michigan stated its consumer sentiment index fell to 92.1 early this month, the lowest reading since January, from 98.4 in July. The survey's current conditions measure dropped to its lowest level since late 2016. (Reuters)
- **US manufacturing output drops in July –** The US manufacturing output dropped in July, ending a run of two months of growth. The Federal Reserve stated manufacturing production shrank 0.4% last month, a steeper drop than the 0.1% decline expected by analysts in a Reuters poll. Overall industrial output was down 0.2% in July, after analysts had anticipated a 0.1% gain. The data may add to concerns about the strength of the US factory sector amid lingering concerns about a slowing global economy. The July decline was the largest since April. Manufacturing output is down over 1.5% since December 2018, the Fed stated. In July, the decline in factory output was broad-based across a number of sectors, including wood products, machinery and nonmetallic mineral products, according to the Fed. Mining output fell 1.8% in July, which the Fed attributed to a sharp but temporary decline in oil extraction in the Gulf of Mexico due to Hurricane Barry. Despite the decline, mining output is still up 5.5% over the last year. (Reuters)
- **US removes some Chinese furniture, modems from planned 10% tariffs –** The Trump administration is sparing some Chinese-made household furniture, baby items and internet modems and routers from its next rounds of 10% tariffs, it stated. The US Trade Representative's office released a complete list of the items that were removed from $300bn in tariffs scheduled to go into effect on September 1 and December 15, some of which had already been hit with 25% tariffs. Trump delayed more than half of the proposed tariffs until December, saying it would help shield businesses and consumers from the US-China trade war fallout during the Christmas selling season. The new list of 44 categories of spared imports, worth about $7.8bn according to US Census Bureau data, also includes some chemical compounds used in the manufacture of plastics. Reuters previously reported that bibles and religious texts would be spared from the tariff list. (Reuters)
- **Reuters poll: Japan exports seen shrinking for eight month in July, core inflation weak –** Japan's exports likely fell for an eight straight month in July, a Reuters poll showed, as a protracted US-China trade war and weak global demand hurt shipments from the world's third-largest economy. Adding to the growing challenge for policymakers, the nation's core consumer inflation is also expected to stay at two-year lows for the month, weighed down by softer prices of energy-related items, the poll showed. Exports in July were forecast to have shrunk 2.2% from a year earlier, which would extend a slump that began in December last year, but not as bad as a revised 6.6% decline in June. Many export-reliant economies such as Japan have been hit hard by the Sino-US tariff row, which has already upended supply chains and undermined global trade, investment and corporate earnings. The poll forecast that imports would slip 2.7% from a year earlier, meaning the trade balance will turn to a deficit of 200bn Yen from a revised surplus of 589.6bn Yen in June. The poll also found the core Consumer Price Index, which includes oil products but excludes volatile fresh food costs, rose 0.6% in July from a year earlier, and the same pace of growth in June. (Reuters)
- **China unveils rate reform to steer funding costs lower for firms –** China's central bank unveiled a key interest rate reform to help steer borrowing costs lower for companies and support a slowing economy that has been hurt by a trade war with the US. The People's Bank of China (PBOC) stated it will improve the mechanism used to establish the loan prime rate (LPR) from this month, in a move to further lower real interest rates for companies as part of broader market reforms. Analysts said the move, which came after data that showed weaker than expected growth in July and followed a cabinet announcement, underscores the government's attempts to use reforms to support a slowing economy. "By reforming and improving the formation mechanism of LPR, we will be able to use market-based reform methods to help lower real lending rates. The central bank will deepen market-based interest rate reform, improve the efficiency of interest rate transmission, and lower financing costs of the real economy," the PBOC stated. Chinese banks' new LPR quotations will be based on rates of open market operations, and the national interbank funding center will be authorized to publish the rate from August 20, the PBOC stated. (Reuters)
- **China preps plan to boost disposable income by 2020 to spur private consumption –** China's state planner stated it would roll out a plan to boost disposable income this year and in 2020 to spur private consumption, a major plank in the world's second-biggest economy. China will urge local authorities to adopt measures to quickly stimulate consumption, focusing on eliminating pain points and blockages, Meng Wei, spokeswoman at the National Development and Reform

Commission (NDRC) said. One consumption driver is income growth, which eased in China last year as corporate profits started to soften. Disposable income per capita rose 6.5% to 28,228 Yuan, slowing significantly from the 7.3% pace for 2017. The other concern is jobs as the economy continues to cool while living costs remain elevated. Nationwide survey-based unemployment rose to 5.3% in July from 5.1% in June, though market watchers said it could be much higher, data this week showed. (Reuters)

Regional

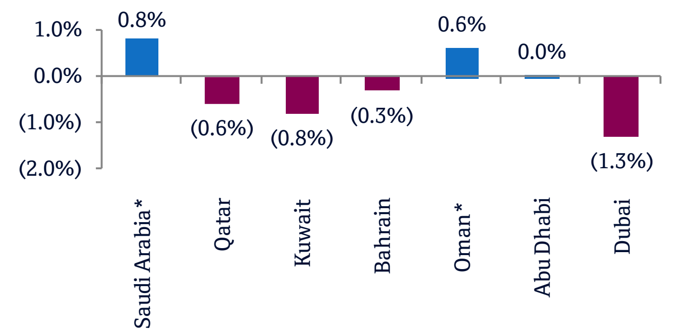
- **OPEC sees bearish oil outlook for rest of 2019, points to 2020 surplus –** OPEC delivered a downbeat oil market outlook for the rest of 2019 as economic growth slows and highlighted challenges in 2020 as rivals pump more, building a case to keep up an OPEC-led pact to curb supply. In a monthly report, the OPEC cut its forecast for global oil demand growth in 2019 by 40,000 barrels per day (bpd) to 1.10mn bpd and indicated the market will be in slight surplus in 2020. The bearish outlook due to slowing economies amid the US-China trade dispute and Brexit could press the case for OPEC and allies including Russia to maintain a policy of cutting output to support prices. Already, a Saudi Arabian official has hinted at further steps to support the market. "While the outlook for market fundamentals seems somewhat bearish for the rest of the year, given softening economic growth, ongoing global trade issues and slowing oil demand growth, it remains critical to closely monitor the supply/demand balance and assist market stability in the months ahead," OPEC stated. It is rare for OPEC to give a bearish forward view on the market outlook and oil LCOc1 (ICE Brent Crude Future) pared an earlier gain after it was released to trade below $59 a barrel. Despite the OPEC-led cut, oil has tumbled from April's 2019 peak above $75 pressured by trade concerns and an economic slowdown. OPEC, Russia and other producers have since January 1 implemented a deal to cut output by 1.2mn bpd. The alliance, known as OPEC+, in July renewed the pact until March 2020 to avoid a build-up of inventories that could hit prices. OPEC left its forecast for 2020 oil demand growth at 1.14mn bpd, up slightly from this year. But OPEC added that its forecast for 2020 economic growth faced downside risk. (Reuters)
- **Middle East gas production set to overtake Russia by year-end –** The Middle East is expected to overtake Russia in natural gas production by the end of the year and through the next decade. The region will produce more than 730bn cubic meters of gas next year, increasing to about 920bn cubic meters by 2030, according to a report by Rystad Energy, an Oslo-based energy research company. "The output increase will be driven by an increase in production in Qatar's North Field, which translates into higher exports," Vice President and Head of gas and power market research at Rystad Energy, Carlos Torres said. "There will also be exponential growth in Israeli production." Middle East output is booming, with Qatar planning to expand its liquefied natural gas (LNG) production and retain its position as the biggest LNG exporter. Israel's massive offshore gas reserves will also top up the region's supply with flows primarily benefiting the European market, he said. The output increase in Russia will be more moderate since new fields will mostly be replacing declining production from maturing fields such as Zapolyarnoye. The US, thanks to its shale boom, is the world's biggest gas producer, with supply expected to exceed 1tn cubic meters by 2030, according to the International Energy Agency. (Bloomberg)
- **SAMA: Saudi Arabia's bank lending grows 3.1% in 2Q2019 –** Saudi Arabia's bank lending leveled up by 3.1% during the second quarter of 2019, supported by the increase in long-term credit facilities by more than SR100bn, according to the Saudi Arabian Monetary Authority's (SAMA) data. Total loans recorded SR1.45tn in 2Q2019, compared to SR1.41tn in 2Q2018. The long-term loans leveled up by 24.3% to SR517.93bn during the three-month period between April and June, versus SR416.64bn in the same period of the prior year. Meanwhile, short-term facilities decreased by 1.6% YoY to SR 714.91bn by the end of June. Medium-term credit also fell by 16.8% to SR225.25bn in 2Q2019, against SR270.6bn in the corresponding period last year. For the first half of 2019, bank lending in the GCC nation inched up by 2.25%, from SR1.426tn in 1H2018. (Zawya)
- **Petronas has begun to restart Saudi-Malaysian refinery CDU –** Pengerang Refining and Petrochemical (PrefChem), a joint venture between Petronas and Saudi Aramco, has begun to restart a crude distillation unit (CDU) at its oil refinery in Malaysia, Petronas stated. Malaysia's state oil firm stated that the refinery had started feeding crude oil into the unit earlier this week, confirming an earlier Reuters report citing sources. "We confirm that the refinery has started feeding crude to its CDU earlier this week in efforts to restart the plant," Petronas told Reuters. The Pengerang Refining development, part of Petronas' $27bn Pengerang Integrated Complex, consists of a 300,000 bpd oil refinery and a petrochemical complex with a production capacity of 7.7mn tons per year in the southern Malaysian state of Johor. The project, originally known as RAPID, or Refinery and Petrochemical Integrated Development, was shut in April after a fire damaged its atmospheric residue desulfurization (ARDS) unit. It had been scheduled to restart last month, however, that was pushed back to August, they said. (Reuters)
- **Dubai's Emirates NBD raises $500mn from 3 and 5-year loans –** Dubai's Emirates NBD has raised $500mn funds mainly from Asian banks for general corporate purposes, according to data compiled by Bloomberg. It has raised $200mn from a three year tranche and a $300mn from a five year portion. Mizuho Bank Ltd., Hong Kong was global coordinator for the loan. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg (*Data as of August 08, 2019)

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,513.38	(0.7)	1.4	18.0
Silver/Ounce	17.11	(0.9)	0.9	10.5
Crude Oil (Brent)/Barrel (FM Future)	58.64	0.7	0.2	9.0
Crude Oil (WTI)/Barrel (FM Future)	54.87	0.7	0.7	20.8
Natural Gas (Henry Hub)/MMBtu#	2.20	0.0	4.8	(31.8)
LPG Propane (Arab Gulf)/Ton	36.13	(2.0)	(11.3)	(43.1)
LPG Butane (Arab Gulf)/Ton	35.00	(5.4)	(18.1)	(50.0)
Euro	1.11	(0.2)	(1.0)	(3.3)
Yen	106.38	0.2	0.7	(3.0)
GBP	1.21	0.5	1.0	(4.7)
CHF	1.02	(0.2)	(0.6)	0.3
AUD	0.68	0.1	(0.1)	(3.8)
USD Index	98.14	(0.0)	0.7	2.0
RUB	66.52	0.7	1.9	(4.6)
BRL	0.25	(0.3)	(1.6)	(3.1)

Source: Bloomberg (#Market was closed on August 16, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,108.50	1.2	(1.3)	11.9
DJ Industrial	25,886.01	1.2	(1.5)	11.0
S&P 500	2,888.68	1.4	(1.0)	15.2
NASDAQ 100	7,895.99	1.7	(0.8)	19.0
STOXX 600	369.63	1.2	(1.6)	6.0
DAX	11,562.74	1.3	(2.2)	6.2
FTSE 100	7,117.15	1.1	(1.2)	0.9
CAC 40	5,300.79	1.2	(1.6)	8.5
Nikkei	20,418.81	(0.1)	(2.0)	6.0
MSCI EM	970.27	0.7	(1.1)	0.5
SHANGHAI SE Composite	2,823.82	0.2	2.1	10.6
HANG SENG	25,734.22	0.9	(0.8)	(0.6)
BSE SENSEX	37,350.33	0.6	(0.9)	1.3
Bovespa	99,805.80	1.2	(5.3)	10.1
RTS	1,239.81	(0.8)	(3.9)	16.0

Source: Bloomberg (*$ adjusted returns)

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