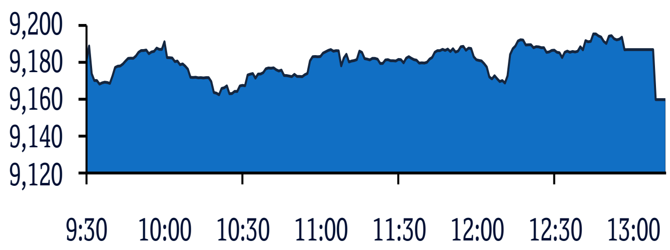
Daily Market Report

Wednesday, 17 June 2020

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.3% to close at 9,160.5. Gains were led by the Transportation and Industrials indices, gaining 1.4% and 0.6%, respectively. Top gainers were Ahli Bank and Gulf Warehousing Company, rising 10.0% and 5.0%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 1.4%, while Qatar Insurance Company was down 1.2%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.6% to close at 7,308.2. Gains were led by the Media & Ent. and Pharma, Biotech indices, rising 4.1% and 2.2%, respectively. Saudi Paper Manufacturing Co. rose 10.0%, while SABB Takaful was up 8.1%.

Dubai: The DFM Index gained 0.9% to close at 2,070.0. The Services index rose 3.1%, while the Transportation index gained 2.6%. Commercial Bank of Dubai rose 7.3%, while Arabtec Holding Co. was up 6.5%.

Abu Dhabi: The ADX General Index gained 1.4% to close at 4,328.6. The Investment & Financial Services index rose 4.5%, while the Real Estate index gained 4.0%. International Holdings Co. rose 5.2%, while Aldar Properties was up 4.2%.

Kuwait: The Kuwait All Share Index gained 1.1% to close at 5,054.5. The Basic Materials index rose 2.4%, while the Insurance index gained 1.6%. Wethaq Takaful Insurance Co. rose 20.8%, while Gulf Investment House was up 8.0%.

Oman: The MSM 30 Index gained 0.2% to close at 3,527.8. The Financial index gained 0.2%, while the other indices ended in red. Alizz Islamic Bank rose 5.2%, while Majan College was up 4.5%.

Bahrain: The BHB Index gained 0.3% to close at 1,279.2. The Investment and Services indices rose 0.4% each. Bahrain Car Park Company rose 8.3%, while GFH Financial Group was up 3.4%.

Market Indicators	16 Jun 20	15 Jun 20	%Chg.
Value Traded (QR mn)	322.0	311.1	3.5
Exch. Market Cap. (QR mn)	520,319.7	516,815.5	0.7
Volume (mn)	207.8	181.2	14.7
Number of Transactions	7,473	7,417	0.8
Companies Traded	45	45	0.0
Market Breadth	29:12	17:26	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,610.76	0.3	(0.8)	(8.2)	14.4
All Share Index	2,841.00	0.5	(0.7)	(8.3)	15.1
Banks	3,958.69	0.6	(0.5)	(6.2)	13.0
Industrials	2,583.47	0.6	(1.4)	(11.9)	20.6
Transportation	2,654.71	1.4	0.2	3.9	12.9
Real Estate	1,432.53	0.4	(0.0)	(8.5)	14.2
Insurance	2,015.18	(1.1)	(1.2)	(26.3)	33.7
Telecoms	862.44	(0.5)	(2.2)	(3.6)	14.5
Consumer	7,413.24	0.1	(0.2)	(14.3)	18.9
Al Rayan Islamic Index	3,678.15	0.7	(0.1)	(6.9)	16.9

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Aldar Properties	Abu Dhabi	1.73	4.2	16,614.5	(19.9)
National Industrialization	Saudi Arabia	10.44	3.8	8,333.1	(23.7)
National Petrochem. Co.	Saudi Arabia	25.00	3.3	373.9	5.3
National Bank of Kuwait	Kuwait	0.80	2.7	7,619.3	(21.5)
Arabian Centres Co Ltd	Saudi Arabia	21.66	2.7	3,408.1	(25.7)

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Qatar Insurance Co.	Qatar	1.99	(1.2)	8,641.3	(37.1)
Saudi Cement Co.	Saudi Arabia	51.40	(1.2)	769.8	(26.7)
Ooredoo	Qatar	6.54	(1.1)	460.4	(7.7)
Qatar Electricity & Water	Qatar	16.10	(1.0)	564.1	0.1
Emaar Economic City	Saudi Arabia	7.20	(1.0)	4,312.7	(24.6)

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%
Ahli Bank	3.17	10.0	221.4	(4.9)
Gulf Warehousing Company	5.04	5.0	453.9	(8.0)
Qatari Investors Group	1.73	4.5	5,512.3	(3.4)
Qatar Aluminium Manufacturing	0.75	4.0	38,927.5	(4.0)
Alijarah Holding	0.77	3.8	8,473.9	9.2

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminium Manufacturing	0.75	4.0	38,927.5	(4.0)
Ezdan Holding Group	0.92	1.0	37,586.0	49.8
Mazaya Qatar Real Estate Dev.	0.78	2.9	23,997.1	8.3
Qatar First Bank	1.04	3.6	17,667.1	27.4
Qatar Insurance Company	1.99	(1.2)	8,641.3	(37.1)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	2.10	(1.4)	12.5	(14.6)
Qatar Insurance Company	1.99	(1.2)	8,641.3	(37.1)
Al Khaleej Takaful Insurance Co.	1.99	(1.2)	251.3	(0.8)
Qatari German Co for Med. Dev.	1.19	(1.2)	4,136.5	103.8
Ooredoo	6.54	(1.1)	460.4	(7.7)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.60	0.9	37,422.6	(14.5)
Ezdan Holding Group	0.92	1.0	34,642.8	49.8
Qatar Aluminium Manufacturing	0.75	4.0	28,842.3	(4.0)
Mazaya Qatar Real Estate Dev.	0.78	2.9	18,764.8	8.3
Qatar First Bank	1.04	3.6	18,417.3	27.4

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*	9,160.50	0.3	(0.8)	3.6	(12.1)	87.79	141,839.1	14.4	1.4	4.4
Dubai	2,070.02	0.9	(1.6)	6.4	(25.1)	81.33	79,642.6	6.2	0.7	4.5
Abu Dhabi	4,328.61	1.4	0.8	4.5	(14.7)	41.79	132,006.4	13.5	1.3	5.9
Saudi Arabia	7,308.21	0.6	(0.0)	1.3	(12.9)	1,728.43	2,203,093.8	22.2	1.8	3.5
Kuwait	5,054.54	1.1	(0.7)	1.2	(19.5)	107.59	92,518.5	14.8	1.2	3.8
Oman	3,527.84	0.2	0.4	(0.5)	(11.4)	4.17	15,361.4	9.8	0.8	6.8
Bahrain	1,279.24	0.3	(0.1)	0.8	(20.6)	2.93	19,328.6	9.3	0.8	5.5

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

Qatar Market Commentary

- The QE Index rose 0.3% to close at 9,160.5. The Transportation and Industrials indices led the gains. The index rose on the back of buying support from Qatari and GCC shareholders despite selling pressure from non-Qatari shareholders.
- Ahli Bank and Gulf Warehousing Company were the top gainers, rising 10.0% and 5.0%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 1.4%, while Qatar Insurance Company was down 1.2%.
- Volume of shares traded on Tuesday rose by 14.7% to 207.8mn from 181.2mn on Monday. However, as compared to the 30-day moving average of 221.8mn, volume for the day was 6.3% lower. Qatar Aluminium Manufacturing Company and Ezdan Holding Group were the most active stocks, contributing 18.7% and 18.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	41.11%	43.06%	(6,283,573.13)
Qatari Institutions	24.44%	22.25%	7,072,795.50
Qatari	**65.55%**	**65.31%**	**789,222.38**
GCC Individuals	0.94%	0.85%	296,437.97
GCC Institutions	2.92%	1.14%	5,716,065.06
GCC	**3.86%**	**1.99%**	**6,012,503.03**
Non-Qatari Individuals	14.48%	12.01%	7,944,000.50
Non-Qatari Institutions	16.11%	20.69%	(14,745,725.91)
Non-Qatari	**30.59%**	**32.70%**	**(6,801,725.40)**

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06/16	US	Federal Reserve	Industrial Production MoM	May	1.4%	3.0%	-12.5%
06/16	US	Federal Reserve	Capacity Utilization	May	64.8%	66.9%	64.0%
06/16	US	Federal Reserve	Manufacturing (SIC) Production	May	3.8%	5.0%	-15.5%
06/16	Germany	German Federal Statistical Office	CPI MoM	May	-0.1%	-0.1%	-0.1%
06/16	Germany	German Federal Statistical Office	CPI YoY	May	0.6%	0.6%	0.6%

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

News

Qatar

- **SIIS's board of directors announces meeting results –** Salam International Investment Limited's (SIIS) board held its meeting on June 15, 2020 to follow up on the implementation of previous resolutions, continued evaluations of the company's current projects and execution of the subsidiaries and business units' plans. (QSE)
- **CRA report: Telecom service providers continue to maintain high standards –** Qatar's telecommunication service providers continue to maintain the high standards of accessibility, retainability and integrity of the services offered to their consumers and improve their capability to provide higher data throughputs in 2019 compared to the previous year, the Communications Regulatory Authority's (CRA) audit report has revealed. The CRA on Tuesday published on its website summary results of an extensive audit of mobile networks in Qatar that was conducted from September to December 2019. The CRA conducted the annual audit with a view to ensuring that the quality of mobile voice and data services are consistent with the Key Performance Indicators (KPI) required to be provided to the consumers in Qatar by the telecom service providers 'Ooredoo Qatar' and 'Vodafone Qatar', and that quality of mobile services are in line with the applicable regulatory framework and the terms and conditions of the licenses granted by the CRA to the service providers. The annual audit helps in assessing the improvements of the quality of mobile service levels offered by the service providers in Qatar. The measurement methodology of the last year network audit included testing samples that were collected from different areas in Qatar during the peak hours of working days. The measurements covered main roads and highways, major pedestrian areas as well as several indoor locations. For that purpose, the CRA used its Quality of Service (QoS) systems, which are considered as most advanced systems in the region, in addition to the latest versions of devices and smartphones, to obtain results that reflect the consumers' experience in the mobile services in Qatar. (Qatar Tribune)
- **UNCTAD: Qatar's FDI inward stock exceeds $31bn in 2019 –** Qatar's foreign direct investment (FDI) inward stock exceeded $31bn in 2019, according to the latest "World Investment Report 2020" by United Nations Conference on Trade and Development (UNCTAD) released on Tuesday. The report highlighted Qatar's creation of an investment promotion agency to attract foreign investment. Launched last year, the Investment Promotion Agency (IPA), as part of its mandate to attract more FDI into Qatar, aims to be a single and complete source for investment solutions in the country by attracting FDIs in all of the country's priority sectors. The entity has also been tasked to pursue targeted, sector-specific investment promotion agendas and coordinate investment promotion and marketing activities with key stakeholders, as well as develop policy advisory. UNCTAD in its report said, "Qatar permitted, in principle, 100% foreign

ownership in all economic sectors except some businesses such as banking and insurance." (Gulf-Times.com)

- **Qatar achieves sixth rank in 2020 global economic performance –** Qatar achieved the sixth rank out of 63 countries, mostly high-income ones, in the economic performance category of The World Competitiveness Yearbook 2020. Confirming country's strong performance across various fields, the yearbook has placed Qatar at the 14th position internationally in the overall ranking. The ranking was based on national statistics as well as opinions of sample business managers who provided their views on Qatar's economy competitive climate. The World Competitiveness Yearbook 2020 is annually published by the International Institute for Management Development (IMD) located in Lausanne of Switzerland. (Qatar Tribune)

International

- **IMF sees 'profound uncertainty' about global recovery –** The International Monetary Fund (IMF) will likely forecast a worse contraction in the global economy than previously estimated for 2020 and sees "profound uncertainty" about the path of recovery, IMF Chief Economist Gita Gopinath said in a new blog. Gopinath said the economic crisis triggered by the novel coronavirus pandemic was more global and playing out differently than past crises, with the services sector hit harder than manufacturing in both advanced and emerging market economies, and inflation low across the board. She also cited a striking divergence of financial markets from the real economy, which could portend greater volatility in financial markets and potentially sharp corrections. The IMF is due to update its World Economic Outlook on June 24. Managing Director Kristalina Georgieva last month said the Fund was "very likely" to revise downward its already pessimistic forecast for a 3% contraction in global gross domestic output in 2020, but gave no details. Gopinath said there were signs of early recovery in many countries that were reopening their economies, but new waves of infections and reimposed lockdown measures still posed risks. While fiscal policy measures had been sizable in advanced economies, poor countries had more constrained resources, and the informal sector had not been able to help absorb the shock as it had done in past crises, she said. Global cases of the virus reached over 8mn on Monday, with infections surging in Latin America, while the US and China are grappling with fresh outbreaks. Gopinath said pent-up consumer demand could fuel a quicker rebound in hard-hit services, but this was not guaranteed since consumers might change spending behavior to minimize social interaction, and uncertainty could trigger higher savings rates. (Reuters)
- **Trump team prepares $1tn infrastructure plan to spur economy –** The Trump administration is preparing an up to $1tn infrastructure package focused on transportation projects as part of its push to spur the world's largest economy back to life, a source familiar with the situation said on Tuesday. The Department of Transportation's preliminary version reserves most funds for projects such as roads and bridges, but will also set aside about a quarter of the money for priorities such as 5G wireless infrastructure and rural broadband, two sources said. The White House, which has made similar proposals in recent years, is aiming to unveil its latest effort in July, one of the sources said. News of the potential additional stimulus, first reported by Bloomberg, supported a US stock market rise on Tuesday. President Donald Trump, a Republican, is running for re-election in November. He is eager to boost the economy to bolster his political prospects after criticism of his handling of the coronavirus pandemic and the response to protests after the death of a black man in police custody in Minneapolis sparked protests worldwide. As the economy slowly recovers from the roughly two-month shutdown to limit the spread of COVID-19, the Trump administration is looking at measures to jump-start employment. The administration proposal would extend the law authorizing highway and other surface transportation funding. The current law, known as the FAST Act, authorized $305bn over five years and is set to expire on September 30. The White House is likely to propose a 10-year reauthorization of the measure, which would be the longest-ever surface transportation bill and is set to release its proposal as early as next week, two other people briefed on the matter said. (Reuters)
- **US economy starts long recovery as retail sales post record jump –** US retail sales increased by the most on record in May after two straight months of sharp declines as businesses reopened, offering more evidence that the recession triggered by the COVID-19 pandemic was over or drawing to an end. The report from the Commerce Department on Tuesday followed news early this month that the economy created 2.5mn jobs in May. Layoffs are also ebbing and manufacturing activity is improving, though production remains at very low levels. The surge in retail sales last month recouped 63% of March and April's decreases. But the journey to recovery could be long and difficult as some parts of the country are experiencing a resurgence of COVID-19 infections. In addition, enhanced federal government unemployment checks will run out in July. Federal Reserve Chair Jerome Powell told US lawmakers on Tuesday that "until the public is confident that the disease is contained, a full recovery is unlikely." Retail sales jumped 17.7% last month, the biggest advance since the government started tracking the series in 1992. Sales dropped a record 14.7% in April. Economists polled by Reuters had forecast retail sales would rise 8% in May. Retail sales fell 6.1% on a YoY basis in May. Even with May's surge, sales were still about 8% below their February level, leaving consumer spending and the economy on track for their biggest contraction in the second quarter since the Great Depression. The economy slipped into recession in February. (Reuters)
- **US business inventories drop more than expected –** US business inventories fell more than expected in April as the COVID-19 crisis depressed imports, suggesting inventory investment could again be a drag on economic output in the second quarter. The Commerce Department said on Tuesday business inventories dropped 1.3% in April after falling 0.3% in March. Inventories are a key component of gross domestic product. Economists polled by Reuters had forecast business stocks decreasing 0.8% in April. Retail inventories plunged 3.7% in April, instead of 3.3% as estimated in an advance report published last month. That followed a 1.1% increase in March. Motor vehicle inventories dived 8.4% rather than 8.3% as previously reported. Retail inventories excluding autos, which go into the calculation of GDP, fell 1.1% as reported last month. A drawdown of inventories contributed to GDP shrinking at a 5.0% annualized rate in the first quarter, the sharpest pace of contraction since the 2007-2009 Great Recession. The National Bureau of

Economic Research, the arbiter of US recessions, declared last week that the economy slipped into recession in February. Inventory investment has subtracted from GDP for four straight quarters. The drag in recent quarters reflects declining imports, which have been depressed by the White House's trade war with China and the COVID-19 pandemic. Goods imports tumbled to more than a nine-year low in April. Wholesale inventories rose 0.3% in April. Stocks at manufacturers fell 0.4% in April. Business sales plummeted 14.4% in April after declining 5.2% in the prior month. At April's sales pace, it would take 1.67 months for businesses to clear shelves, up from 1.45 months in March. (Reuters)

- **Fed Chair Powell says strong job market can reduce US racial inequality –** The best way the Federal Reserve can help reduce racial inequality is to return the US labor market to its pre-coronavirus strength, US Fed Chair Jerome Powell said on Tuesday, as he sidestepped questions over whether the Fed itself contributes to the problem. Anger over racism and inequality has swept the country since the police killing of George Floyd May 25 in Minneapolis, with people protesting en masse despite the ongoing threat of infection during the coronavirus pandemic. The unrest has sharpened the public focus on economic plight of black and Latino families, who on average continue to earn less, have higher unemployment, and are harder hit when economic shocks like the coronavirus hit. In May, while white unemployment fell, black unemployment rose. The "best single thing" that the Fed can do to address inequality, Powell told the Senate Banking Committee, is to "try to get the labor market back to where it was in February," when unemployment was 3.5%. Meanwhile Powell said that a full US economic recovery will not occur until the American people are sure that the novel coronavirus epidemic has been brought under control. (Reuters)
- **Britain tells banks to prepare for pandemic debt pile –** British banks need to accelerate preparations for dealing with businesses unable to repay money they borrowed to cope with the coronavirus pandemic, the national financial sector regulator said on Tuesday. Over 900,000 businesses have taken out state-backed loans worth around 38bn pounds under schemes introduced to help companies deal with the impact of lockdowns, banking industry body UK Finance said on Tuesday. Financial Conduct Authority (FCA) Chair Charles Randell said some of the debt incurred would turn out to be unaffordable and this would need to be tackled fast to avoid hurting a recovery. "Lenders will need to scale their arrears-handling functions quickly, and invest in training and controls," Randell told an online meeting with the chairs of Britain's banks. "There needs to be an appropriate dispute resolution system, and we are working with the Financial Ombudsman Service and the Business Banking Resolution Service to ensure that there is capacity to deal with the volumes we may see," he said. Banks were criticized for being slow initially in building up capacity to dole out loans, sparking complaints from small companies struggling to stay afloat. "We can't allow this to become a replay of the 2008 crisis where the treatment of some small business borrowers did such serious damage to people and to trust in financial services," Randell said. UK Finance Chief Executive Stephen Jones said companies should consider their ability to repay before asking for a loan. Randell said the pandemic's impact on markets had added to questions about the value of some high-cost and riskier investment products, he said, adding: "We will be saying more about the issue of high-risk investments in the near future." (Reuters)
- **UK furlough scheme spending exceeds £20bn –** Britain's finance ministry said on Tuesday it had spent more than 20bn Pounds on a furlough program that is supporting 9.1mn jobs, as well as lending over 38bn Pounds to companies. In a weekly update, the Treasury said claims under its Job Retention Scheme - which pays 80% of salary costs for furloughed staff - had risen to 20.8bn Pounds from 19.6bn Pounds the week before. Banks had lent small businesses 26.34bn Pounds of 100% state-backed loans, while larger firms had received 10.11bn Pounds from the government's main lending scheme, with the biggest companies getting an extra 1.77bn Pounds. (Reuters)
- **ECB: EU must act urgently on fiscal measures –** The European Union (EU) must urgently decide on a package of fiscal measures to help the bloc through its pandemic-induced economic crisis, European Central Bank (ECB) board member Fabio Panetta told French newspaper Le Monde. "It is extremely urgent and the aim should be to deploy it as soon as possible, no later than early 2021," Panetta was quoted on Tuesday as saying. "The longer we wait, the costlier it will be to intervene." The EU proposed a 750bn Euro package last month, including 500 billion in grants, but resistance from a handful of fiscally conservative nations has threatened to delay the deal and no agreement in June is now expected. (Reuters)
- **Japan manufacturers' mood turns gloomier as virus damage spreads –** Worries about the deepening impact of the new coronavirus kept Japanese business confidence depressed in June, as firms braced for a prolonged global economic downturn, the Reuters Tankan survey showed on Wednesday. The monthly poll, which tracks the Bank of Japan's key tankan quarterly survey, found manufacturers' mood turned more gloomy, though both manufacturing and service-sector firms expected slightly less pessimistic conditions in the three months ahead. The sentiment index at manufacturers dropped to minus 46 in June from minus 44 the previous month, remaining at the lowest since June 2009, while the service-sector gauge edged up to minus 32 from minus 36, according to the Reuters Tankan poll. A negative figure means pessimists outnumber optimists. The Bank of Japan kept monetary settings steady at its policy meeting on Tuesday, sticking to its view the world's third-largest economy will gradually recover from the impact of the coronavirus pandemic. It made no change to a range of programs put in place to channel funds to businesses, adding it expects to pump around 110tn Yen ($1tn) to the economy via its market operations and lending facilities. (Reuters)
- **Japan's exports fall most since 2009 as virus hits US shipments –** Japan's exports fell in May at the fastest pace since the 2009 global financial crisis as US-bound car shipments plunged, bolstering expectations for a deep contraction in the world's third-largest economy this quarter. Weak global demand for cars and slowing business spending could drag on Japan's export-led economy, even as China-bound trade shows signs of picking up and US and European economies reopen. The trade data came a day after the Bank of Japan increased its support through lending schemes for struggling businesses to $1tn. Ministry of Finance (MOF) data out Wednesday showed Japan's exports fell 28.3% in

the year to May, worse than a 26.1% decrease expected by economists in a Reuters poll. That followed a 21.9% decline in April and marked the biggest annual drop since September 2009. US-bound exports - Japan's key market — halved to mark the biggest annual drop since March 2009, due to more than 70% declines in shipments of cars and car parts, the trade data showed. Exports to China, Japan's largest trading partner, fell 1.9% in the year to May, a smaller drop than the prior month's 4% annual decline. Shipments to Asia, which account for more than half of Japanese exports, declined 12%, and exports to the European Union also fell 33.8%. (Reuters)

- **BoJ's Kuroda warns of protracted battle with pandemic, keeps policy steady –** Japan's central bank is bracing for a protracted battle against the coronavirus pandemic as a second wave of infections cannot be ruled out, governor Haruhiko Kuroda said on Tuesday, signaling its readiness to top up monetary support. The Bank of Japan (BoJ) stuck to its view that the world's third-largest economy will gradually recover as the pandemic subsides in the latter half of the year, suggesting it has taken enough steps for now. But the central bank increased the nominal size of its lending packages for cash-strapped firms to $1tn from about $700bn announced last month. "We can't rule out the risk of a second wave of infections," which would add to concerns over the surging number of cases in emerging economies, Kuroda told a news conference. Such uncertainties over the pandemic cloud Japan's economic outlook and may force the BoJ to extend its crisis-response tools beyond the current March 2021 deadline, he said. "If the need for our support diminishes, we can ponder an exit. But we are ready to keep these supports in place for quite a long time," Kuroda said. In a widely expected move, the BoJ maintained its yield curve control targets at -0.1% for short-term interest rates and 0% for long-term rates. At Tuesday's rate review, the central bank also made no major changes to its programs to ease corporate funding strains, including a lending facility aimed at channeling funds to firms. The amount of money to be pumed out via the programs will likely reach 110tn Yen ($1tn), higher than an estimate of 75tn Yen made in May, due to an increase in loans eligible for government guarantees. (Reuters)

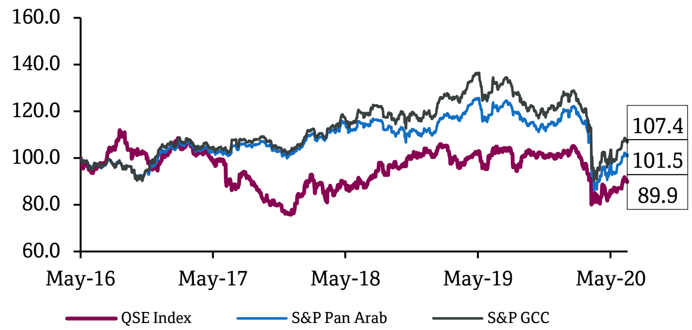
Regional

- **IEA: OPEC output fell 6.66mn bpd in May, with Saudis leading cuts –** OPEC crude-oil production slumped 6.66mn bpd MoM in May to 24.09mn bpd, and June could see a pullback to 22mn bpd, the lowest level in almost three decades, the IEA said in its monthly market report. Saudi Arabia led supply cuts last month, with output dropping 3.4mn bpd to 8.5mn bpd, meeting its OPEC+ target. Iraq reduced production by 330k bpd to a five-year low of 4.17mn bpd, still almost 600k bpd above its OPEC+ target. UAE removed 1.35mn bpd, bringing it near its 2.446mn bpd quota. Kuwait's supply declined 850k bpd from April's record-high to 2.2mn bpd, just above its OPEC+ target. (Bloomberg)
- **WTO gives Saudi 60 days to implement ruling –** The World Trade Organization (WTO) ruling in favor of Qatar on Tuesday has proved that Saudi Arabia has breached its obligations and allowed piracy operations from its territories, according to a legal expert. Commenting on the WTO decision, Head of the legal team and Qatar's representative at the International Court of Justice, Mohammed Abdulaziz Al Khelaifi said: "WTO decision that Saudi Arabia has violated TRIPS Agreement by illegally pirating beIN Sports has proven the wrongdoings by Saudi Arabia. The WTO decision has proven that Saudi Arabia has breached its obligations," Al Khelaifi said. He said the WTO has given Saudi Arabia 60 days to implement the decision. "If the decision is not implemented by Saudi Arabia in 60 days or an appeal is requested, Qatar will take all the needed legal action to protect its rights. The decision by WTO has shown the wrongdoings of Saudi Arabia, where they failed to take legal action against the piracy done by beoutQ and contributed to the spread of such illegal acts," Al Khelaifi noted. (Qatar Tribune)
- **Saudi oil exports to US plunge toward lowest level in 35 years –** After flooding the US with crude earlier this year, Saudi Arabia has all but cut off the taps to the American oil market. The Kingdom has exported just one cargo to the US so far in June, equivalent to about 133,000 bpd, tanker-tracking data compiled by Bloomberg show. That is about one-tenth of the 1.3mn bpd it shipped in April, when Riyadh flooded the global market during a brief price war against Russia. If the low pace of exports is sustained in the second half of the month, US imports of Saudi crude could drop to the lowest level in 35 years, helping the American crude market re-balance, according to traders and analysts. "Saudi oil arrivals will fall just as domestic refiners will start raising runs and domestic production continues to decline," Chief Oil Analyst at Consultant Energy Aspects Ltd, Amrita Sen said. "US refiners will have to import from elsewhere and run down stocks," she added. (Bloomberg)
- **Saudi fund launches SR3.7bn initiatives to support industrial enterprises –** The Saudi Industrial Development Fund (SIDF) said on Tuesday it launched initiatives totaling SR3.7bn to support private sector industrial enterprises impacted by the coronavirus pandemic. The initiatives include deferment and restructuring of loan instalments for small, medium and large enterprises, as well as medical ones. They also include lines of credit to finance operating expenses for up to three months for some small and medium-sized enterprises, SIDF said in a statement. (Reuters)
- **UAE says OPEC+ deal will soon restore oil prices to 'normal' –** Oil-production limits adopted by a group of major crude suppliers will soon bring prices back to normal, according to the Energy Minister of the UAE, Suhail Al Mazrouei. When markets were collapsing as the coronavirus pandemic crushed demand in March and early April, the idea that crude could rise again to $40 a barrel was "a dream," he said. That was before the OPEC+ alliance agreed unprecedented cuts in output. (Bloomberg)
- **UAE becomes largest FDI recipient in the Middle East –** Foreign direct investment (FDI) inflow into the UAE jumped over 34% to $14bn in 2019 as compared to $10.4bn in the previous year following major investments by US private equity firms in Abu Dhabi's energy sector. The UAE surpassed Turkey to become the largest recipient of foreign investment last year in the Middle East and also accounted for half of total investment that flowed into the region in 2019, according to World Investment Report released by UN Conference on Trade and Development (UNCTAD). The large increase in FDI to UAE was largely due to major investments made to Abu Dhabi National Oil Company (ADNOC) assets. The US-based asset managers BlackRock and KKR Global Infrastructure acquired a 40% stake in ADNOC's

pipeline assets for about $4bn. Italy's Eni SpA also acquired a 20% stake in Abu Dhabi Oil Refining Company for more than $3bn. "Abu Dhabi has supported FDI inflows to the UAE for the past few years with its streamlined procedures and capacity in facilitating megadeals. In 2019, the Emirate further strengthened its commitment to foreign investment by launching the Abu Dhabi Investment Office under the Ghadan 21 program, a broad-based initiative to enhance the commercial ecosystem, including by cultivating an attractive and diversified environment for FDI," UNCTAD said. It said the approval of the positive list for FDI in the UAE in April 2020 paves the way for full foreign ownership in many activities and could support investment flows to the country in the longer term. While FDI outflow from the UAE also moved up slightly last year from $15bn to $16bn, an increase of 5.5%. (Zawya)

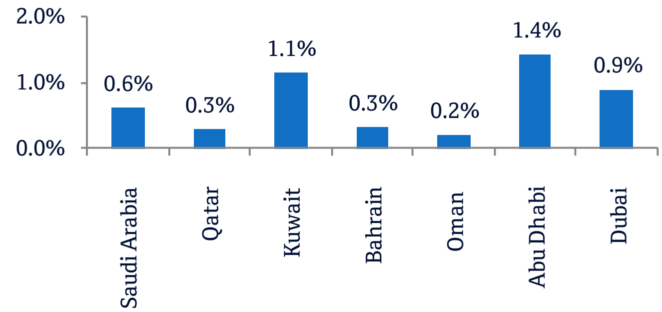
- **UAE says fee cuts amount to ~$1.5bn since April –** The UAE said that reductions in fees for investors and companies amounted to ~$1.5bn since April, Al-Ittihad reported earlier, citing Undersecretary of the Ministry of Finance, Younis Al Khouri. Measures are in place to mitigate the impact of the pandemic. The Finance ministry will continue to work with concerned federal entities to review government fees and determine the fees that will be abolished or reduced after reviews, he said. (Bloomberg)
- **Abu Dhabi's ADQ in talks for bank debt –** Abu Dhabi's ADQ, a state-owned holding company, is in talks with banks for bank debt financing, two sources said. One of them said that ADQ, formerly known as Abu Dhabi Developmental Holding Company, was looking to raise a loan of around $3bn. Established in 2018, ADQ manages a portfolio of more than 90 companies in various non-oil sectors of Abu Dhabi's economy, according to its website. One of the sources said the transaction was aimed at establishing a core group of relationship banks. ADQ has been active in the food sector since it announced in March that it acquired a 50% stake in Abu Dhabi-based agriculture firm Al Dahra Holding. The UAE, which depends on imports for 80%-90% of its food, introduced a law in March to organize strategic food stocks for emergencies, the state news agency WAM reported, amid growing food security concerns due to the coronavirus crisis. ADQ is currently among the bidders for Jordan's Al Jazeera Agriculture Company, which produces fresh and frozen chicken for retail and wholesale, eggs, chicks and chicken feed. It is also close to acquiring Jordan's Al-Nabil Food Industries, which produces frozen foods. (Reuters)
- **Abu Dhabi Investment Authority discloses 6.97% stake in Cellnex –** Abu Dhabi Investment Authority (ADIA) discloses a 6.97% Stake in Cellnex, according to a form filed with Spanish securities regulator CNMV Tuesday. Abu Dhabi Investment Authority is now Cellnex's second largest shareholder, according data from CNMV's website. (Bloomberg)
- **Sharjah Islamic Bank sells $500mn in five-year Sukuk –** Sharjah Islamic Bank sold $500mn in five-year US Dollar-denominated Sukuk at 2.85% on Tuesday, a document showed. SIB received more than $3.4bn in orders for the Islamic bonds, the document from one of the arranging banks showed. The bank tightened the spread after it gave an initial price guidance of 285-290 basis points over mid swaps for the Sukuk earlier in the day. The debt sale comes after Dubai Islamic Bank (DIB), the largest Islamic lender in the UAE, sold $1bn in Sukuk last week. DIB's deal was the first international public Sukuk issuance by a Gulf bank since the twin shock of the coronavirus pandemic and an oil price slump hit the region's debt markets. Standard Chartered, Bank ABC, Citi, DIB, Emirates NBD Capital, First Abu Dhabi Bank, the Islamic Corporation for the Development of the Private Sector, KFH Capital and Mashreqbank arranged Sharjah Islamic Bank's issuance. (Reuters)
- **Shell says work on Oman gas-to-liquids project 'scaled back' –** Royal Dutch Shell has scaled back work on a gas-to-liquids plant in Oman due to the coronavirus pandemic and economic conditions, the company said. "Shell is currently evaluating its gas monetization options, including the GTL project," a company spokesman said. Shell is still working with its partners on developing gas production from Blocks 10 and 11, but at a slower pace because of market conditions, the spokesman said. (Bloomberg)
- **Oman Arab Bank agrees to takeover of Alizz Islamic Bank as fund sells –** Oman Arab Bank (OAB) agreed to take over local competitor Alizz Islamic Bank as one of the country's largest investment funds sold a stake in OAB. OAB agreed to make an offer to acquire the entire issued share capital of Alizz Islamic, according to a statement on Tuesday. Alizz Islamic will then become a wholly-owned unit of OAB and will operate its Islamic banking business. Separately, Omnivest said it sold an 11.8% stake worth $120mn to Jordan's Arab Bank, which holds 49% of Oman Arab Bank, it said in a statement. OAB's agreement with Alizz Islamic Bank marks the culmination of talks that started in 2018 when a wave of bank mergers spread across the Middle East. The lenders received approval from Central Bank of Oman in April and are awaiting the green light from other regulators. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,726.53	0.1	(0.2)	13.8
Silver/Ounce	17.46	0.4	(0.2)	(2.2)
Crude Oil (Brent)/Barrel (FM Future)	40.96	3.1	5.8	(37.9)
Crude Oil (WTI)/Barrel (FM Future)	38.38	3.4	5.8	(37.1)
Natural Gas (Henry Hub)/MMBtu	1.42	(12.3)	(14.5)	(32.1)
LPG Propane (Arab Gulf)/Ton	50.25	1.8	1.5	21.8
LPG Butane (Arab Gulf)/Ton	53.63	0.5	1.4	(18.1)
Euro	1.13	(0.5)	0.1	0.5
Yen	107.32	(0.0)	(0.1)	(1.2)
GBP	1.26	(0.3)	0.3	(5.2)
CHF	1.05	(0.2)	0.1	1.7
AUD	0.69	(0.4)	0.3	(1.9)
USD Index	96.96	0.3	(0.4)	0.6
RUB	69.70	0.2	(0.3)	12.5
BRL	0.19	(1.6)	(3.6)	(23.3)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,219.10	2.2	2.5	(5.9)
DJ Industrial	26,289.98	2.0	2.7	(7.9)
S&P 500	3,124.74	1.9	2.7	(3.3)
NASDAQ 100	9,895.87	1.7	3.2	10.3
STOXX 600	363.33	2.7	2.9	(12.3)
DAX	12,315.66	3.2	3.4	(6.6)
FTSE 100	6,242.79	3.2	3.0	(21.4)
CAC 40	4,952.46	2.7	2.6	(16.9)
Nikkei	22,582.21	4.8	1.4	(3.2)
MSCI EM	989.87	2.4	0.3	(11.2)
SHANGHAI SE Composite	2,931.75	1.5	0.4	(5.5)
HANG SENG	24,344.09	2.4	0.2	(13.2)
BSE SENSEX	33,605.22	0.8	(0.8)	(23.9)
Bovespa	93,531.20	1.5	(1.4)	(37.1)
RTS	1,242.72	1.7	0.4	(19.8)

Source: Bloomberg (*$ adjusted returns)

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