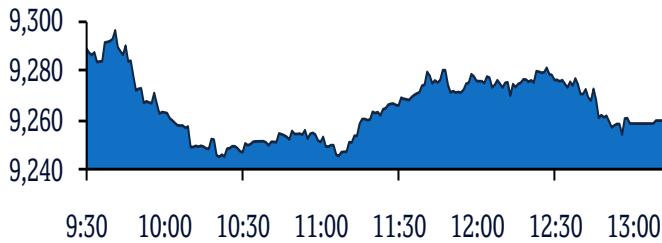


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.3% to close at 9,260.5. Losses were led by the Transportation and Banks & Financial Services indices, falling 0.2% each. Top losers were Qatar International Islamic Bank and Djala Brokerage & Investment Holding Company, falling 3.2% and 1.6%, respectively. Among the top gainers, Salam International Investment Limited gained 9.9%, while Ahli Bank was up 5.6%.

GCC Commentary

Saudi Arabia: The TASI Index fell 1.2% to close at 7,260.1. Losses were led by the Pharma, Biotech and Real Estate Mgmt indices, falling 3.0% and 2.0%, respectively. Allianz Saudi Fransi Coop. Ins. declined 6.8%, while Etihad Etisalat was down 5.8%.

Dubai: The DFM General Index gained 1.6% to close at 2,090.9. The Real Estate & Const. index rose 2.1%, while the Banks index gained 1.6%. Air Arabia rose 5.3%, while Amlak Finance was up 4.7%.

Abu Dhabi: The ADX General Index rose 0.3% to close at 4,346.9. The Investment & Fin. Serv. index gained 3.8%, while the Consumer Staples index rose 3.5%. Sharjah Cement and Ind. Dev. Co. gained 12.5%, while Waha Capital Co. was up 6.8%.

Kuwait: The Kuwait All Share Index rose 0.3% to close at 5,061.6. The Industrials index gained 1.0%, while Real Estate index rose 0.7%. Al Masaken Int. Real Estate Dev. gained 10.0%, while First Takaful Insurance Co. was up 9.9%.

Oman: The MSM 30 Index fell 0.4% to close at 3,509.9. Losses were led by the Services and Industrial indices, falling 1.2% and 0.6%, respectively. Oman Fisheries fell 7.6%, while Oman and Emirates Inv. Holding was down 6.4%.

Bahrain: The BHB Index gained 0.3% to close at 1,278.5. The Commercial Bank index rose 0.5%, while the Investment index gained 0.2%. Al Salam Bank - Bahrain rose 3.1%, while APM Terminals Bahrain was up 2.1%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.41	9.9	65,776.8	(20.9)
Ahli Bank	3.17	5.6	25.1	(4.9)
Investment Holding Group	0.54	5.0	45,458.0	(4.1)
Qatari German Co for Medical Dev.	1.24	4.5	23,759.4	112.7
Islamic Holding Group	3.06	3.7	7,816.1	61.1

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.41	9.9	65,776.8	(20.9)
Investment Holding Group	0.54	5.0	45,458.0	(4.1)
Ezdan Holding Group	0.93	2.9	31,683.0	51.2
Qatari German Co for Medical Dev.	1.24	4.5	23,759.4	112.7
United Development Company	1.23	0.2	10,415.9	(19.3)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,260.54	(0.3)	(0.6)	4.7	(11.2)	93.51	144,339.1	14.6	1.3	4.3
Dubai	2,090.92	1.6	0.6	7.5	(24.4)	64.28	80,169.5	6.3	0.6	4.5
Abu Dhabi	4,346.92	0.3	0.0	5.0	(14.4)	24.88	133,616.5	13.5	1.1	5.9
Saudi Arabia	7,260.09	(1.2)	(1.3)	0.7	(13.5)	1,390.41	2,211,907.7	21.7	1.6	3.6
Kuwait	5,061.55	0.3	0.8	1.3	3.1	69.69	93,694.6	14.7	1.1	3.8
Oman	3,509.93	(0.4)	(0.2)	(1.0)	(11.8)	3.81	15,319.8	9.8	0.7	6.9
Bahrain	1,278.52	0.3	0.3	0.7	(20.6)	4.77	19,358.1	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)

Market Indicators	22 Jun 20	21 Jun 20	%Chg.
Value Traded (QR mn)	343.6	275.7	24.6
Exch. Market Cap. (QR mn)	528,714.8	527,484.3	0.2
Volume (mn)	277.3	218.7	26.8
Number of Transactions	8,275	5,813	42.4
Companies Traded	46	44	4.5
Market Breadth	24:19	16:24	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,803.09	(0.3)	(0.6)	(7.2)	14.6
All Share Index	2,878.82	(0.1)	(0.3)	(7.1)	15.3
Banks	4,013.06	(0.2)	(0.6)	(4.9)	13.2
Industrials	2,628.22	(0.0)	(0.4)	(10.4)	20.9
Transportation	2,679.31	(0.2)	(0.3)	4.8	13.0
Real Estate	1,473.41	0.3	1.6	(5.9)	14.6
Insurance	1,985.76	0.1	1.5	(27.4)	33.9
Telecoms	882.34	0.2	(0.3)	(1.4)	14.8
Consumer	7,440.18	0.1	0.1	(14.0)	19.0
Al Rayan Islamic Index	3,710.18	(0.4)	(0.5)	(6.1)	17.1

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Emaar Malls	Dubai	1.35	3.9	17,378.5	(26.2)
Emaar Properties	Dubai	2.79	1.8	18,211.7	(30.6)
Emirates NBD Bank	Dubai	9.00	1.8	2,035.0	(30.8)
Dubai Islamic Bank	Dubai	3.94	1.8	3,490.8	(28.5)
Aldar Properties	Abu Dhabi	1.78	1.7	12,545.3	(17.6)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Etihad Etisalat Co	Saudi Arabia	27.05	(5.8)	3,427.5	8.2
Saudi Ind. Inv. Group	Saudi Arabia	20.00	(3.4)	1,035.5	(16.7)
Arab National Bank	Saudi Arabia	20.00	(3.4)	573.4	(27.0)
Arabian Centres Co Ltd	Saudi Arabia	21.50	(3.3)	1,849.5	(26.2)
Qatar Int. Islamic Bank	Qatar	8.55	(3.2)	1,237.5	(11.7)

Source: Bloomberg (# in Local Currency) (** GCC Top gainers/losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar International Islamic Bank	8.55	(3.2)	1,237.5	(11.7)
Djala Brokerage & Inv. Holding Co	1.20	(1.6)	8,488.1	96.4
Qatar Islamic Insurance Company	6.21	(1.3)	108.0	(7.0)
Qatar Islamic Bank	16.10	(0.9)	213.5	5.0
Doha Bank	2.13	(0.7)	3,499.4	(15.8)

QSE Top Value Trades	Close*	1D%	Vol. '000	YTD%
QNB Group	17.99	0.5	36,609.3	(12.6)
Ezdan Holding Group	0.93	2.9	29,324.7	51.2
Qatari German Co for Medical Dev	1.24	4.5	29,054.7	112.7
Salam International Inv. Ltd.	0.41	9.9	26,280.1	(20.9)
Investment Holding Group	0.54	5.0	24,417.1	(4.1)

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index declined 0.3% to close at 9,260.5. The Transportation and Banks & Financial Services 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 International Islamic Bank and Dlala Brokerage & Investment Holding Company were the top losers, falling 3.2% and 1.6%, respectively. Among the top gainers, Salam International Investment Limited gained 9.9%, while Ahli Bank was up 5.6%.
- Volume of shares traded on Monday rose by 26.8% to 277.3mn from 218.7mn on Sunday. Further, as compared to the 30-day moving average of 219.5mn, volume for the day was 26.3% higher. Salam International Investment Limited and Investment Holding Group were the most active stocks, contributing 23.7% and 16.4% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	50.00%	46.11%	13,343,973.05
Qatari Institutions	12.66%	14.80%	(7,338,440.66)
Qatari	62.66%	60.91%	6,005,532.39
GCC Individuals	1.60%	1.72%	(391,994.73)
GCC Institutions	2.64%	0.91%	5,944,026.57
GCC	4.24%	2.63%	5,552,031.85
Non-Qatari Individuals	16.13%	16.73%	(2,072,236.59)
Non-Qatari Institutions	16.97%	19.73%	(9,485,327.64)
Non-Qatari	33.10%	36.46%	(11,557,564.23)

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

Ratings, Global Economic Data and Earnings Calendar

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
The Commercial Bank	Moody's	Qatar	LT-IDR	A3	A3	-	Stable	-

Source: News reports, Bloomberg (* LT – Long Term, IDR – Issuer Default Rating)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06/22	EU	European Commission	Consumer Confidence	Jun	-14.7	-15	-18.8

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

Earnings Calendar

Tickers	Company Name	Date of reporting 2Q2020 results	No. of days remaining	Status
DHBK	Doha Bank	27-Jul-20	34	Due

Source: QSE

Qatar

- **Moody’s affirms The Commercial Bank’s long-term issuer default rating at ‘A3’ with a ‘Stable’ outlook** – Moody’s has affirmed The Commercial Bank’s (CBQK) unchanged long-term issuer default rating at ‘A3’ with a ‘Stable’ outlook. Despite the global spread of COVID-19 and its substantial impact on business activities and economies, The Commercial Bank has maintained a long-term issuer default rating at ‘A3’ and maintained its outlook at ‘Stable’, according to Moody’s. The rating is due to the bank’s strengths which stem from the diversified funding and solid liquidity buffers, a very high probability of support from the Government of Qatar in case of need, and the bank’s improved risk management. The Group Chief Executive Officer of The Commercial Bank, Joseph Abraham said, “This reaffirmation by Moody’s is due to the continued prudent economic management by the State of Qatar and the Qatar Central Bank despite the challenges associated with COVID-19. For The Commercial Bank, this reaffirmation reflects our strong liquidity and prudent risk management and the continued successful execution of our five-year strategic plan.” In addition to Moody’s latest ratings, The Commercial Bank currently enjoys strong credit ratings from all the major agencies. The bank’s long-term outlook is rated ‘A’ by Fitch, and ‘BBB+’ by Standard & Poor’s. All ratings are with a ‘Stable’ outlook. (Peninsula Qatar)
- **IMF: Qatar better placed to accommodate rising deficits amid rising regional vulnerabilities** – Qatar is among the MENA countries better placed to accommodate rising deficits, although vulnerabilities are on the rise in the region due to lower growth and the sharp decline in oil prices, IMF has said in a report. Lower growth and the sharp decline in oil prices are putting significant strains on fiscal and external positions in Middle East, North Africa and Pakistan (MENAP) oil exporters. The fiscal deficit for the region is expected to deteriorate from 2.8% of GDP in 2019 to 10% of GDP in 2020 with about two-thirds of this decline (or 4.4% of GDP) resulting from crisis related spending and revenue measures. Countries with fiscal buffers such as Qatar are better placed to accommodate rising deficits than those with limited space, IMF noted in its recent regional economic outlook update. Lower projected hydrocarbon revenue will also weigh on the region’s current account balance, which is expected to tip into a deficit of 5.8% of GDP in 2020 from a surplus of 2.7% of GDP in 2019. (Gulf-Times.com)
- **Manateq offers incentives for investors in Al Khor, Al Karaana zones** – The Economic Zones Company Qatar (Manateq) has announced attractive incentives and benefits for businesses and potential investors in its Al Khor and Al Karaana industrial zones. The company is offering investment opportunities. With the new offer, the small and medium-sized enterprises (SMEs) can now open yards at very affordable rents as low as QR10 per square meters annually. Al Khor and Al Karaana are new industrial complexes being developed and overseen by Manateq as part of Qatar’s long term strategy to achieve industrial diversification. Both the industrial zones have been designed to offer all the logistic needs of businesses that require open yards. They provide a varied range of plots in addition to the added

incentives such as the competitive rent rate and short-term lease contracts. “Beyond the plots various sizes available, Manateq’s Open Yards at Al Khor and Al Karaana are at the most affordable of rents along with special incentives,” (Peninsula Qatar)

- **Oman Air to operate flight from Qatar** – The Ministry of Higher Education and Oman Air have announced a flight from Qatar to the Sultanate on 4th July. A statement issued online by the ministry stated, “The Ministry of Higher Education and Oman Air is pleased to announce a flight from Doha to Muscat at 11:30 pm, on July 4, 2020.” (Zawya)

International

- **World Bank chief calls for more private sector buy-in on G20 debt relief** – The Group of 20 major economies’ debt relief initiative for the world’s poorest countries has made good progress but additional relief and greater participation by private sector creditors are needed, World Bank President David Malpass said on Monday. Malpass told Reuters in an interview that 35 of 73 eligible countries were participating in the G20 initiative, which will freeze debt service payments on official bilateral debt through year-end, and more had expressed interest. The Debt Service Suspension Initiative (DSSI) will free up \$12 billion that countries can use to deal with the health and economic strains caused by the coronavirus, a new World Bank database shows. Malpass said the pandemic had clearly delivered a “very serious, long-lasting setback” to the global economy that was hitting the poorest countries especially hard. The relief agreed by G20 members and the Paris Club of official creditors in April was helping, but further steps would be needed to prevent the economic crisis from widening rates of poverty, he said. He did not endorse calls by African countries and others for an extension of the debt holiday through 2022 and cancellation of some debts but said further steps would be needed. He also urged the private sector to boost its participation. (Reuters)
- **US home sales hit nine and a half year low; price growth cools** – US home sales dropped to their lowest level in more than 9-1/2 years in May, strengthening expectations for a sharp contraction in housing market activity in the second quarter following disruptions caused by the COVID-19 pandemic. The report from the National Association of Realtors on Monday also showed the smallest annual home price increase in more than eight years. The slump in existing home sales reflected closings on contracts signed in March and April, when nearly the whole country was under lockdowns to slow the spread of the respiratory illness. With applications for home loans surging to an 11-year high in recent weeks amid record low mortgage rates, May was probably the nadir for the existing housing market. Data last week showed a sharp rebound in building permits in May. But nearly 20mn people are unemployed and housing supply remains tight. Existing home sales fell 9.7% to a seasonally adjusted annual rate of 3.91 million units last month, the lowest level since October 2010. It was the third straight monthly drop. Economists polled by Reuters had forecast existing home sales would fall 3% to a rate of 4.12mn units in May. Home resales, which make up about 90% of US home sales, decreased 26.6% on a YoY basis in May,

the largest annual decline since 1982. There were 1.55mn previously owned homes on the market in May, down 18.8% from a year ago. (Reuters)

- **Global steel output falls 8.7% in May, but China lifts production** – Global crude steel output slipped 8.7% in May to 148.8mn tons as many steelmakers shut operations due to the COVID-19 pandemic, even as top producer China was resilient and pumped out more of the metal. Data from the World Steel Association on Monday showed a sharp contrast between steel production in China, which has largely been lifting its lockdowns, and the rest of the world. Crude steel output from China, also the world's biggest consumer of the metal, increased 4.2% YoY to 92.3mn tons in May. But production tumbled 36.6% in the US, 31.8% in Japan and 26.8% in the European Union, the data showed. The decline in Japan, the world's No. 3 steel producer, was the steepest monthly slide since June 2009, according to an analyst at the Japan Iron and Steel Federation, which released data on Monday. Indian output slid by 39.1%, while the drop in South Korean production was less severe, at 14.1%, World Steel said. The trade association, whose members account for about 85% of global steel production, forecast earlier this month that global steel demand was expected to fall 6.4% this year, but bounce back next year. (Reuters)
- **BoE's Bailey says QE bond sales should precede rate rises** – Bank of England (BoE) Governor Andrew Bailey said on Monday that the central bank should start to sell government bonds back to the market before it raises interest rates significantly, which would represent a reversal of long-standing BoE policy. Any bond sales are some way off, as just last week the BoE increased its bond purchase target by 100bn Pounds to 745bn Pounds (\$922bn) to support the economy through the unprecedented slump caused by COVID-19. But Bailey said this level of central bank asset purchases, known as quantitative easing (QE), "shouldn't always be taken for granted" and stressed the central bank's independence from government. Under previous governor Mark Carney, the BoE said it would raise interest rates materially before starting to sell past asset purchases back to the market, as it viewed interest rates as a nimbler policy tool. But since the 2008-09 financial crisis the BoE has never had the opportunity to raise interest rates significantly, and Bailey said he did not want big central bank holdings of government debt to become a permanent feature. Bailey's views are personal, though they are likely to carry weight with the other members of the BoE's Monetary Policy Committee who would need to approve future bond sales. There was little immediate market impact from the news, reflecting how Britain's recovery from the massive economic shock of coronavirus will be the main driver of BoE policy. (Reuters)
- **CBI: UK factories suffer worst quarter on record** – British industrial output recorded its biggest quarterly fall on record during the three months to June as COVID-19 heavily disrupted operations, and a further decline is likely in the months to come, a survey showed on Monday. The Confederation of British Industry's (CBI) headline industrial orders measure inched up to -58 in June from May's 38-year low of -62, but remained far below its pre-COVID level, while export orders fell by the most since records began in 1977 at -79. The CBI's

measure of industrial output over the past three months fell to its lowest since that measure started in July 1975, sinking to -57 from -54. "The COVID-19 crisis has been hugely challenging for the manufacturing sector, and these figures reflect the tough circumstances faced by firms across the country," said Tom Crotty, group director of chemicals producer INEOS and chair of the CBI's manufacturing council. Official data for April showed an historic 28.5% year-on-year fall in factory output. Manufacturers are somewhat less pessimistic about the next three months, with output expectations rising to -30 from -49, despite the weaker demand from overseas, though this is well below the series' long-run average of +8. The CBI said the steepest falls in production came in the automotive, mechanical engineering and metals sectors. (Reuters)

- **IHS Markit: UK household sentiment picks up, still weak** – British households remain downbeat about their financial prospects due to the damage caused by COVID-19, but are less pessimistic than in May and April when sentiment sank to its lowest in more than eight years, a survey showed on Monday. IHS Markit's monthly Household Finance Index for June was in line with other data which has suggested a moderate recovery since economic output collapsed by a historic 20% in April when swathes of businesses were shuttered. The index rose to 40.7 in June from 37.8 in May, but remained below its pre-COVID average of just under 45. "It is reassuring to see the ... index rebounding in June, as it suggests that the financial hardship endured during the height of the lockdown is easing. However, it appears that households are still faced with a number of difficulties," IHS Markit economist Joe Hayes said. Households are highly concerned about job security, according to the survey of 1,500 adults contacted online between June 11 and June 15. More than 9mn jobs have been furloughed under a government scheme which pays people 80% of their normal salary. But that support is scheduled to end in October, before some sectors such as hospitality are likely to be operating normally. (Reuters)
- **Eurozone June consumer confidence jumps as lockdowns ease** – Eurozone consumer confidence jumped more than expected in June, a flash estimate from the European Commission showed on Monday, as governments gradually eased lockdown restrictions imposed in March against the COVID-19 pandemic. The Commission's flash consumer confidence indicator for the 19 countries sharing the euro improved by 4.1 points to -14.7 in June. Economists polled by Reuters had expected an improvement to -15.0 in June. (Reuters)
- **EU presses China over trade, warns on Hong Kong law** – The European Union (EU) told China on Monday to make good on a promise to open up its economy and warned of "very negative consequences" if Beijing goes ahead with a new security law on Hong Kong that the West says will curtail basic rights. Speaking after video calls with Chinese Premier Li Keqiang and President Xi Jinping, the EU's chief executive and chairman said they had repeated accusations that Beijing has spread disinformation about the coronavirus. "The relationship between the EU and China is simultaneously one of the most strategically important and one of the most challenging that we have," European Commission President Ursula von der Leyen told a news conference. European Council President Charles

Michel said China was not reciprocating the welcome that Chinese companies receive in Europe. Calling China a partner and a rival, von der Leyen said Beijing had not followed up on a 2019 deal to allow greater access for European companies in China or drop rules requiring investors to share their know-how in Chinese joint ventures. Even before the coronavirus pandemic worsened Sino-European ties, the EU found itself caught between China and the United States, needing both and reluctant to alienate either. Li expressed optimism about the relationship, according to Chinese state media, saying China and the EU are more partners than competitors. But the EU wants to see progress on an investment agreement under negotiation since 2014. EU officials say they want to see movement in areas such as autos, biotech and micro-electronics and see Beijing limit subsidies for state-run companies. Germany has postponed an EU leaders' summit with Xi in September, citing the coronavirus, though diplomats said it was in part because of the impasse in investment negotiations. (Reuters)

- **Germany: All financial institutions must be ready for a hard Brexit** – Germany's deputy finance minister on Monday said that it was necessary to prepare for the worst on Brexit and urged banks to be ready for a hard Brexit, adding there is a very strong risk of a tough situation ahead. "The strategy of hope for the best, plan for the worst, I think is very prudent here," Joerg Kukies told the Frankfurt Finance Summit. "Every financial institution has to make sure that they are prepared for a hard Brexit, if and when it happens. We don't want that and we hope that it can be avoided. But anyone who listens to the progress updates of the negotiating teams has to take into account that there is a very significant risk that we will go into a difficult situation." (Reuters)
- **China leaves benchmark lending rate unchanged for second straight month** – China left its benchmark lending rate unchanged for the second straight month at its June fixing on Monday, matching market expectations, after the central bank kept borrowing costs on medium-term loans steady last week. The one-year loan prime rate (LPR) remained at 3.85% from last month's fixing, while the five-year LPR was also steady at 4.65% from previously. The move in the LPR affects the price lenders charge corporates and households for loans, and the five-year rate influences the pricing of mortgages. A Reuters survey of traders and analysts conducted last week showed more than 70% of all participants expected China to keep the lending benchmark unchanged this month. Only 20% of all respondents predicted a marginal cut to one-year LPR. The PBOC rolled over some maturing medium-term loans last week while keeping interest rates unchanged for the second straight month in a row. The medium-term lending facility (MLF), one of the PBOC's main tools in managing longer-term liquidity in the banking system, serves as a guide for the new LPR. The interest rate on one-year MLF stands at 2.95%. The LPR is a lending reference rate set monthly by 18 banks. The PBOC revamped the mechanism to price LPR in August 2019, loosely pegging it to the MLF rate. (Reuters)

Regional

- **EY: MENA corporate executives see healthy appetite for M&As in next 12 months** – The Middle East and North African (MENA)

corporate captains see a healthy appetite for mergers and acquisitions (M&As) in the next 12 months despite Covid-19, according to Ernst and Young (EY). Although business executives in the Middle East region are generally uncertain and cautious about the economy and their growth prospects; EY, in its latest Global Capital Confidence Barometer (CCB), said 62% of MENA executives remain optimistic that the global M&A market will improve in the next 12 months. Locally, MENA executives are equally optimistic, particularly among those who responded later during the survey period. "The Covid-19 is a great reset that will provide amazing acquisition opportunities. Sovereigns, large merchant families and corporations are aggressively looking at tactical buying opportunities," MENA M&A and Equity Capital Markets Leader, EY, Anil Menon said. In the immediate term, MENA executives in the region expect a slowdown in conventional M&A activity as firms focus on shoring up liquidity, driving cost efficiencies and, preserving value. "However, the pandemic and lower oil prices are expected to accelerate consolidation across sectors and sale of non-core businesses held by merchant families," it said. Across the region, 54% of MENA executives say they plan to actively pursue M&A in the next 12 months, only slightly lower than six months ago, it said, adding of the Mena companies surveyed, 45% will use M&A to strengthen their resilience and position for recovery through bolt-on acquisitions and 30% for transformative deals that could fundamentally reshape their business. Others that are less well-capitalized may find themselves forced to raise capital through divestments, either through full-enterprise sales processes or sale of minority stakes. A more positive trend emanating from the MENA region is its emphasis on the rapid digitization. The survey found that 80% of MENA executives say that their company is already undergoing a "significant" business and technology transformation to meet profitability goals, which presents opportunities in the current market. Additionally, 67% and 73% of MENA executives, respectively, are re-evaluating or taking steps to change their digital transformation and speed of automation initiatives, in response to the pandemic. (Gulf-Times.com)

- **Saudi Arabia economy to contract 4% in 2020; prior +2.3%** – The Saudi Arabian economy will contract 4% in 2020 according to the latest results of a Bloomberg News survey of 13 economists conducted from June 12 to June 19. The GDP for 2021 forecast 3.2% YoY compared to prior 1.9%. The CPI for 2020 forecast at 1.7% YoY compared to prior 1.5%. The CPI for 2021 forecasts 2% YoY compared to prior 2%. (Bloomberg)
- **Saudi Aramco expects SABIC acquisition to accelerate its downstream strategy** – Saudi Aramco's acquisition of petrochemical maker SABIC will accelerate the company's downstream strategy and transform it into a global petrochemical player, an official of the state oil giant told Al-Arabiya TV. "We expect long-term demand for petrochemicals to grow, with the sector expected to record the fastest growth in oil demand to 2040," a Senior Vice President at Saudi Aramco, Abdulaziz Al-Gudaimi said. (Reuters)
- **UAE's economy to contract 5.1% in 2020; prior +2.3%** – The economy of the UAE will contract 5.1% in 2020 according to the latest results of a Bloomberg News survey of 10 economists

conducted from June 12 to June 19. The GDP for 2021 forecasts a growth of 2.6% YoY compared to prior growth of 2.4%. The CPI for 2020 forecasts a growth of 0.3% YoY compared to prior growth of 1%. The CPI for 2021 forecasts a growth of 1.6% YoY compared to prior growth of 2%. (Bloomberg)

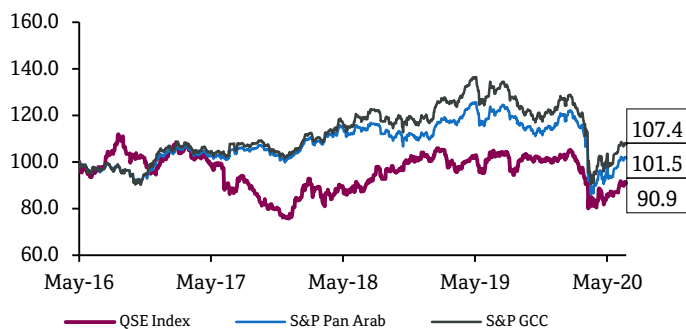
- **DP World hires banks for Islamic bond sale** – Port operator DP World has hired a group of banks for a potential sale of perpetual US dollar-denominated Islamic bonds or Sukuk, a document showed on Monday. The Dubai-based company, which operates ports around the world from Hong Kong to Buenos Aires, will use the proceeds for general corporate purposes, including refinancing, the document from one of the banks handling the sale showed. Citi, Deutsche Bank and JPMorgan will arrange investor calls in Asia, the Middle East and Europe on Monday, to be followed, subject to market conditions, by the issuance of perpetual US dollar-denominated Islamic bonds non-callable for 5-1/2 years. The deal will be benchmark in size, the document said, which means at least \$500mn. Perpetual bonds are similar to an equity instrument in that they have no maturity date. Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, Crédit Agricole, Samba Financial Group, Scotiabank and Standard Chartered Bank are also working on the deal, the document showed. DP World, rated Baa3 by Moody's and BBB- by Fitch, is also considering issuing benchmark perpetual euro-denominated bonds with a six-year, non-call period, the document showed. Moody's Investors Service, has today assigned a Ba2 rating to the proposed benchmark sized reset subordinated perpetual notes and Sukuk certificates (hybrid instruments) to be issued by DP World and DP World Salaam, respectively. (Reuters, Zawya)
- **Emirates REIT asks court to reveal identity of 'suspicious' traders** – Emirates REIT, a Dubai-based Shari'ah-compliant real estate investment trust, said on Monday it has asked a court to disclose the identity of traders it alleges are behind "suspicious trades" of its shares. Last month, Emirates REIT said it had found evidence of irregular trading activity that has contributed to its low share price and reported it to regulatory authorities. "Emirates REIT yesterday submitted an application in the DIFC (Dubai International Financial Centre) Courts seeking an order for the disclosure by Nasdaq Dubai of the identity of the traders behind the nominee account responsible for several suspicious trades of Emirates REIT shares," the company said in a bourse filing on Monday. (Reuters)
- **Abu Dhabi state investor Mubadala plans to grow Asia portfolio** – Abu Dhabi state investor Mubadala Investment Co is under-invested in Asia and plans to expand its portfolio in the region, Group CEO, Khaldoon Khalifa Al-Mubarak said. Mubadala, the second-biggest state investor in Abu Dhabi behind Abu Dhabi Investment Authority (ADIA), has 9% of its portfolio invested in Asia. "From a relative perspective we are under-invested in Asia. You'll see us grow our portfolio in Asia," Mubarak said. His comments came weeks after the sovereign fund agreed to invest \$1.2bn in digital business Jio Platforms, a unit of India's Reliance Industries, in exchange for a 1.85% stake. He said 38% of Mubadala's portfolio is in the US, which it seeks to maintain and grow. "I don't see us reducing exposure. If anything, it's about maintaining and continuing to grow in that space,"

Mubarak said, adding that current valuations are high, but quality investments are justified. There has been a shift in the investment committee's risk appetite since it's retreat to safety in the early weeks of the COVID-19 pandemic, Mubarak said. "Over the last few weeks there has been a lot of knowledge and appreciation of what sort of risks we can take from a corporate perspective," Mubarak said. By contrast, Saudi Arabia's Public Investment Fund (PIF) has been more aggressive pouring \$7.7bn into US and European blue-chip stocks in the first quarter. Mubarak believes that the economic recovery from the coronavirus crisis will take time. "I believe we have to now transition to the mode of living with COVID," he said, adding that Mubadala will become a much more sophisticated technology investor in the next four or five years. The fund, which manages \$232bn in assets, is interested in sectors including medical technology, agricultural technology, artificial intelligence and life sciences. (Reuters)

- **Abu Dhabi fund to invest \$22mn in Puntland power project** – Abu Dhabi fund will invest \$22mn in Puntland power project. Abu Dhabi Fund for Development-financed solar power project to be implemented by Smart Gulf Solar, according to Energy Ministry of Somalia's semi-autonomous region of Puntland. (Bloomberg)
- **Kuwait's economy to contract 5.6% in 2020; prior +1.9%** – Kuwait's economy will contract 5.6% in 2020 according to the latest results of a Bloomberg News survey of nine economists conducted from June 12 to June 19. The GDP for 2021 forecasts growth of 2.8% YoY compared to prior growth of 2.5%. The CPI for 2020 forecasts growth of 1.2% YoY compared to prior growth of 1.5%. The CPI for 2021 forecasts a growth of 1.8% YoY compared to prior growth of 1.6%. (Bloomberg)
- **Oil output from Neutral Zone fields to resume July 1, says Kuwaiti official** – Kuwait and Saudi Arabia plan to resume oil production from their jointly-operated Khafji and Wafra oilfields on July 1, a senior Kuwaiti oil official told Reuters on Monday. Output from Khafji oilfield, which was halted for a month, is expected to be about 80,000 bpd on July 1, before rising to 100,000 bpd two month later, Deputy Chief Executive for finance and management at Kuwait Gulf Oil Company, Abdullah al-Shammari said. Production is expected to reach 175,000 bpd from Khafji field by end of the year, he added. Wafra field will also start production on July 1, and initial output is expected at 10,000 bpd, before rising to 70,000 bpd at the end of August, and then up to 145,000 bpd by the end of 2020, he said. Khafji and Wafra are located in the Neutral Zone on the boundary of the two countries. Saudi Arabian Chevron (SAC), which jointly operates the Wafra field with Kuwait Gulf Oil Company (KGO), said that the two companies were making preparations to resume operations. (Reuters)
- **Oman's economy to contract 3.5% in 2020; prior +1.1%** – Oman's economy will contract 3.5% in 2020 according to the latest results of a Bloomberg News survey of nine economists conducted from June 12 to June 19. The GDP for 2021 forecasts growth of 1.7% YoY compared to prior growth of 2.2%. The CPI for 2020 forecasts growth of 0.5% YoY compared to prior growth of 1.2%. The CPI for 2021 forecasts growth of 0.9% YoY compared to prior growth of 1%. (Bloomberg)

- **Oman sells OMR19mn 182-day bills; bid-cover at 2.32x** – Oman sold OMR19mn of 182-day bills due on December 23, 2020. Investors offered to buy 2.32 times the amount of securities sold. The bills were sold at a price of 99.6, having a yield of 0.806% and will settle on June 24, 2020. (Bloomberg)
- **Bahrain's economy to contract 3.3% in 2020; prior +1.6%** – The economy of Bahrain will contract 3.3% in 2020 according to the latest results of a Bloomberg News survey of seven economists conducted from June 12 to June 19. The GDP for 2021 forecasts growth of 2.5% YoY compared to prior growth of 2.2%. The CPI for 2020 forecasts growth of 0.6% YoY compared to prior growth of 1.6%. The CPI for 2021 forecasts growth of 1% YoY compared to prior growth of 1.5%. (Bloomberg)
- **Bahrain Mumtalakat 2019 loss at \$140.4mn on ALBA-related impairment** – Bahrain Mumtalakat reported loss at \$140.4mn in 2019 on Aluminum Bahrain (ALBA)-related impairment. The loss is primarily due to non-cash impairment losses, recognized on goodwill relating to Aluminum Bahrain, amounting to BHD135.7mn, Bahrain's sovereign wealth fund says. Losses represent reduction in the value of goodwill on Mumtalakat's books of accounts. Mumtalakat took the non-cash impairment on goodwill to reflect current market conditions affecting the industry. Profit before impairment losses up 47% to BHD82.9mn. The group's operating income came in at BHD125mn in 2019 as compared to BHD40.2mn. The group's revenue came in at BHD2.3bn in 2019 compared to BHD2.1bn. Total assets are valued at BHD7.1bn. (Bloomberg)
- **Moody's announces completion of a periodic review of ratings of Investcorp Holdings** – Moody's Investors Service (Moody's) has completed a periodic review of the ratings of Investcorp Holdings and other ratings that are associated with the same analytical unit. The review was conducted through a portfolio review in which Moody's reassessed the appropriateness of the ratings in the context of the relevant principal methodologies, recent developments, and a comparison of the financial and operating profile to similarly rated peers. The review did not involve a rating committee. Investcorp Holdings Ba2 corporate family rating reflects the company's solid market position in the GCC region as a leading alternative investment provider, its global franchise, historically healthy operating margins and good asset retention. Furthermore, Investcorp's level of assets under management, liquidity and equity are expected to remain resilient. The rating also reflects Investcorp's high leverage, and the expected impact the economic downturn prompted by the coronavirus will have on Investcorp's financial performance. This impact is expected to be seen through declines in the level of deal fees and fair value of the company's significant co-investment portfolio. This document summarizes Moody's view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period. (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills at yield of 2.32%** – Bahrain sold BHD70mn of 91-day bills due on September 23, 2020. The bills were sold at a price of 99.416, having a yield of 2.32% and will settle on June 24, 2020. (Bloomberg)

Rebased Performance

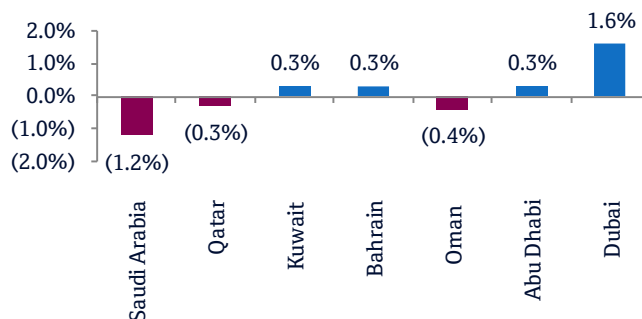


Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,754.43	0.6	0.6	15.6
Silver/Ounce	17.71	0.5	0.5	(0.8)
Crude Oil (Brent)/Barrel (FM Future)	43.08	2.1	2.1	(47.6)
Crude Oil (WTI)/Barrel (FM Future)	40.73	1.8	2.5	(42.0)
Natural Gas (Henry Hub)/MMBtu	1.60	9.6	9.6	(23.4)
LPG Propane (Arab Gulf)/Ton	51.88	1.0	1.0	25.8
LPG Butane (Arab Gulf)/Ton	50.38	0.2	(0.0)	(24.1)
Euro	1.13	0.7	0.7	0.4
Yen	106.91	0.0	0.0	(1.6)
GBP	1.25	1.0	1.0	(5.9)
CHF	1.06	0.5	0.5	2.1
AUD	0.69	1.1	1.1	(1.6)
USD Index	97.04	(0.6)	(0.6)	0.7
RUB	69.07	(0.6)	(0.6)	11.4
BRL	0.19	1.1	1.1	(23.5)

Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,217.82	0.4	0.4	(6.0)
DJ Industrial	26,024.96	0.6	0.6	(8.8)
S&P 500	3,117.86	0.6	0.6	(3.5)
NASDAQ 100	10,056.48	1.1	1.1	12.1
STOXX 600	362.7	(0.8)	(0.8)	(12.8)
DAX	12,262.97	(0.5)	(0.5)	(7.4)
FTSE 100	6,244.62	(0.8)	(0.8)	(17.2)
CAC 40	4,948.70	(0.6)	(0.6)	(17.2)
Nikkei	22,437.27	(0.2)	(0.2)	(5.2)
MSCI EM	1,000.19	(0.1)	(0.1)	(10.3)
SHANGHAI SE Composite	2,965.27	(0.1)	(0.1)	(2.8)
HANG SENG	24,511.34	(0.5)	(0.5)	(13.0)
BSE SENSEX	34,911.32	0.5	0.5	(15.4)
Bovespa	95,336.00	(1.3)	(1.3)	(17.6)
RTS	1,256.77	0.6	0.6	(18.9)

Source: Bloomberg (*\$ adjusted returns)

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