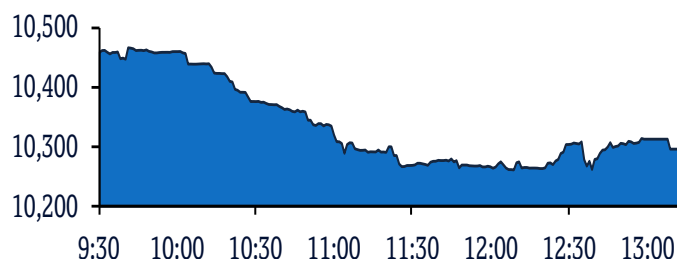


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 1.6% to close at 10,296.6. Losses were led by the Consumer Goods & Services and Real Estate indices, falling 2.6% and 2.1%, respectively. Top losers were Qatar Fuel Company and Qatar First Bank, falling 3.9% and 3.8%, respectively. Among the top gainers, Qatar Navigation and Qatar National Cement Company were up 2.3% each.

GCC Commentary

Saudi Arabia: The TASI Index fell 1.5% to close at 9,043.2. Losses were led by the Consumer Serv. and Insurance indices, falling 3.2% and 2.4%, respectively. MetLife AIG ANB Coop. Ins. declined 5.4%, while The Co. for Coop. Ins. was down 5.2%.

Dubai: The DFM Index fell 0.7% to close at 2,733.5. The Consumer Staples and Discretionary index declined 5.2%, while the Insurance index fell 2.7%. Agility The Public Warehousing Company declined 9.9%, while Dar Al Takaful was down 7.7%.

Abu Dhabi: The ADX General Index fell 1.5% to close at 5,146.1. The Real Estate index declined 2.2%, while the Consumer Staples index fell 2.1%. Finance House declined 10.0%, while National Bank Of Umm Al Qaiwain was down 9.9%.

Kuwait: The Kuwait Main Market Index gained 0.6% to close at 4,845.3. The Technology index rose 23.2%, while the Basic Materials index gained 1.3%. Automated Systems Co. rose 23.2%, while Tamdeen Real Estate Co. was up 10.0%.

Oman: The MSM 30 Index fell 0.7% to close at 3,905.2. Losses were led by the Services and Industrial indices, falling 1.3% and 0.9%, respectively. Construction Materials Industries fell 38.2%, while Oman Telecommunication was down 5.6%.

Bahrain: The BHB Index gained 0.1% to close at 1,437.6. The Investment index rose 0.8%, while the other indices ended flat or in red. Investcorp Bank rose 5.0%, while Bahrain Commercial Facilities Company was up 2.1%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Navigation	68.00	2.3	3.4	3.0
Qatar National Cement Company	68.00	2.3	0.3	14.3
Zad Holding Company	122.00	1.4	0.3	17.3
Islamic Holding Group	21.59	1.2	4.7	(1.2)
Gulf International Services	18.79	1.0	595.2	10.5

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar Aluminium Manufacturing	10.07	(1.1)	1,237.5	(24.6)
Qatar First Bank	4.78	(3.8)	989.7	17.2
Investment Holding Group	5.76	(3.7)	747.7	17.8
Vodafone Qatar	7.69	(0.5)	670.2	(1.5)
Gulf International Services	18.79	1.0	595.2	10.5

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,296.59	(1.6)	(1.8)	(0.8)	(0.0)	67.20	158,180.4	14.5	1.6	4.2
Dubai	2,733.45	(0.7)	(0.9)	(1.2)	8.1	48.47	97,393.7	11.5	1.0	4.9
Abu Dhabi	5,146.13	(1.5)	(1.8)	(2.1)	4.7	347.63	146,976.3	14.3	1.5	4.8
Saudi Arabia	9,043.22	(1.5)	(3.1)	(2.8)	15.5	1,097.89	567,344.9	20.6	2.0	3.3
Kuwait	4,845.34	0.6	(0.4)	0.3	2.3	44.84	33,454.6	14.5	0.9	4.0
Oman	3,905.24	(0.7)	(1.5)	(1.0)	(9.7)	7.78	17,026.6	8.1	0.8	7.0
Bahrain	1,437.61	0.1	0.2	0.3	7.5	6.95	22,297.0	9.9	0.9	5.2

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	06 May 19	05 May 19	%Chg.
Value Traded (QR mn)	245.7	216.1	13.7
Exch. Market Cap. (QR mn)	575,829.7	586,044.3	(1.7)
Volume (mn)	8.7	10.8	(19.2)
Number of Transactions	4,471	4,673	(4.3)
Companies Traded	43	42	2.4
Market Breadth	9:32	15:26	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,946.60	(1.6)	(1.8)	4.4	14.5
All Share Index	3,124.24	(1.7)	(1.8)	1.5	14.9
Banks	3,987.18	(1.7)	(2.4)	4.1	13.9
Industrials	3,203.06	(1.8)	(1.4)	(0.4)	16.1
Transportation	2,502.41	(0.0)	0.6	21.5	13.4
Real Estate	1,827.34	(2.1)	(2.1)	(16.4)	15.3
Insurance	3,204.82	(2.1)	(4.2)	6.5	18.5
Telecoms	930.98	0.0	(0.2)	(5.8)	19.1
Consumer	7,942.50	(2.6)	(0.2)	17.6	15.5
Al Rayan Islamic Index	3,986.22	(1.3)	(1.2)	2.6	13.6

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Comm. Bank of Kuwait	Kuwait	0.55	7.9	7.0	20.1
Bank Dhofar	Oman	0.14	2.2	2,049.7	(10.4)
Boubyan Petrochem. Co.	Kuwait	0.95	2.2	131.2	(3.1)
Saudi Int. Petrochemical	Saudi Arabia	21.60	1.9	374.1	8.2
Saudi Arabian Mining Co.	Saudi Arabia	59.00	1.7	846.5	19.7

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
DAMAC Properties	Dubai	1.15	(5.7)	3,400.5	(23.8)
Oman Telecomm. Co.	Oman	0.54	(5.6)	497.5	(31.0)
Co. for Cooperative Ins.	Saudi Arabia	63.20	(5.2)	345.0	4.8
Saudi British Bank	Saudi Arabia	38.95	(4.3)	645.8	19.3
Banque Saudi Fransi	Saudi Arabia	38.20	(4.3)	898.2	21.7

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 Fuel Company	208.60	(3.9)	181.5	25.7
Qatar First Bank	4.78	(3.8)	989.7	17.2
Investment Holding Group	5.76	(3.7)	747.7	17.8
Qatar Islamic Insurance Company	53.00	(3.3)	5.0	(1.3)
Industries Qatar	118.01	(2.8)	205.3	(11.7)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	190.50	(2.3)	41,953.0	(2.3)
Qatar Fuel Company	208.60	(3.9)	37,958.3	25.7
Industries Qatar	118.01	(2.8)	24,410.5	(11.7)
Qatar Islamic Bank	164.00	(1.6)	16,517.2	7.9
Qatar Aluminium Manufacturing	10.07	(1.1)	12,420.7	(24.6)

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index declined 1.6% to close at 10,296.6. The Consumer Goods & Services and Real Estate indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Qatar Fuel Company and Qatar First Bank were the top losers, falling 3.9% and 3.8%, respectively. Among the top gainers, Qatar Navigation and Qatar National Cement Company were up 2.3% each.
- Volume of shares traded on Monday fell by 19.2% to 8.7mn from 10.8mn on Sunday. Further, as compared to the 30-day moving average of 13.3mn, volume for the day was 34.8% lower. Qatar Aluminium Manufacturing Company and Qatar First Bank were the most active stocks, contributing 14.2% and 11.4% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	41.54%	37.37%	10,245,691.33
Qatari Institutions	18.64%	13.76%	12,001,835.30
Qatari	60.18%	51.13%	22,247,526.63
GCC Individuals	0.63%	0.74%	(267,137.10)
GCC Institutions	0.43%	2.93%	(6,139,664.17)
GCC	1.06%	3.67%	(6,406,801.27)
Non-Qatari Individuals	11.34%	8.87%	6,069,243.47
Non-Qatari Institutions	27.42%	36.34%	(21,909,968.83)
Non-Qatari	38.76%	45.21%	(15,840,725.36)

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

Ratings, Earnings Releases and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
The Commercial Bank	Capital Intelligence	Qatar	LT-FCR/ST-FCR/BSR/CFS	A-/A2	A-/A1/bbb-/bb+	–	Negative	–
Ahli Bank	Capital Intelligence	Qatar	ST-FCR	A2	A1	↑	Stable	–

Source: News reports (* LT – Long Term, ST – Short Term, FCR – Foreign Currency Rating, BSR- Bank Standalone Rating, CFS- Core Financial Strength)

Earnings Releases

Company	Market	Currency	Revenue (mn) 1Q2019	% Change YoY	Operating Profit (mn) 1Q2019	% Change YoY	Net Profit (mn) 1Q2019	% Change YoY
Electrical Industries Co.	Saudi Arabia	SR	106.2	-42.6%	1.3	-91.1%	-4.2	N/A
Bawan Co.	Saudi Arabia	SR	596.8	14.3%	23.5	24.8%	15.0	7.3%
Seera Group Holding	Saudi Arabia	SR	466.0	-3.3%	65.0	-52.2%	49.0	-40.2%
National Medical Care Co.	Saudi Arabia	SR	179.4	-13.2%	36.1	12.6%	30.0	17.1%
Northern Region Cement Co.	Saudi Arabia	SR	113.3	0.2%	27.3	208.0%	15.5	960.5%
Al Yamamah Steel Industries Co.	Saudi Arabia	SR	284.2	18.1%	21.2	107.1%	11.0	155.7%
Alkhaleej Training and Edu. Co.	Saudi Arabia	SR	214.2	8.0%	14.9	59.1%	7.3	71.8%
Saudi Vitrified Clay Pipes Co.	Saudi Arabia	SR	30.1	-5.3%	2.4	-4.0%	1.6	-11.1%
Al Moammar Info. Systems Co.	Saudi Arabia	SR	211.2	73.0%	18.3	311.3%	11.7	N/A
Saudi Arabia Refineries Co.	Saudi Arabia	SR	-0.4	N/A	-1.0	N/A	-1.3	N/A
Saudi Automotive Services Co.	Saudi Arabia	SR	560.9	21.9%	6.9	-29.0%	8.9	2.7%
United Foods Company	Dubai	AED	103.2	-17.0%	–	–	6.2	14.3%
Air Arabia	Dubai	AED	1029.3	17.3%	–	–	119.2	17.3%
Abu Dhabi National Hotels Co.	Abu Dhabi	AED	366.6	10.7%	–	–	94.8	-2.6%
Dana Gas	Abu Dhabi	AED	436.0	-0.9%	–	–	128.0	151.0%
Banader Hotels Company	Bahrain	BHD	0.9	16.1%	0.6	26.7%	-0.8	N/A

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05/06	EU	Markit	Markit Eurozone Services PMI	April	52.8	52.5	52.5
05/06	EU	Markit	Markit Eurozone Composite PMI	April	51.5	51.3	51.3
05/06	EU	Sentix Behavioral Indices	Sentix Investor Confidence	May	5.3	1.2	-0.3
05/06	Germany	Markit	Markit Germany Services PMI	April	55.7	55.6	55.6
05/06	Germany	Markit	Markit/BME Germany Composite PMI	April	52.2	52.1	52.1
05/06	France	Markit	Markit France Services PMI	April	50.5	50.5	50.5
05/06	France	Markit	Markit France Composite PMI	April	50.1	50.0	50.0
05/06	China	Markit	Caixin China PMI Composite	April	52.7	-	52.9
05/06	China	Markit	Caixin China PMI Services	April	54.5	54.2	54.4
05/06	India	Markit	Nikkei India PMI Services	April	51.0	-	52.0
05/06	India	Markit	Nikkei India PMI Composite	April	51.7	-	52.7

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

Stock Split Dates for Listed Qatari Companies

Day / Date	Company Symbols			Sector
	1	2	3	
Sunday 09/06/2019	CBQK	QFBQ		Banking and Financial Services
Monday 10/06/2019	KCBK	DBIS	QOIS	
Tuesday 11/06/2019	QIIK	NLCS		
Wednesday 12/06/2019	QNBK	ABQK	IHGS	
Thursday 13/06/2019	QIBK	DHBK		
Sunday 16/06/2019	MARK			
Monday 17/06/2019	MERS	MCCS		Consumer Goods & Services
Tuesday 18/06/2019	WDAM	ZHCD	QGMD	
Wednesday 19/06/2019	QFLS	MCGS		
Thursday 20/06/2019	SIIS	QCFS		
Sunday 23/06/2019	MPHC	IGRD		Industrial
Monday 24/06/2019	QIGD	AHCS	QNCD	
Tuesday 25/06/2019	IQCD	QIMD		
Wednesday 26/06/2019	QEWS	GISS		
Thursday 27/06/2019	QISI	QATI		Insurance
Sunday 30/06/2019	DOHI	QGRI	AKHI	
Monday 01/07/2019	BRES	ERES		Real Estate
Tuesday 02/07/2019	UDCD	MRDS		
Wednesday 03/07/2019	VFQS	ORDS		Telecoms
Thursday 04/07/2019	QGTS	GWCS	QNNS	Transport/Logistics
Sunday 07/07/2019	QETF	QATR	QAMC	ETFs and QAMCO

Source: QSE

Qatar

- MERS establishes a new company named 'Maar Trading and Servicing Company'** – Al Meera Consumer Goods Company (MERS) has established a new company named 'Maar Trading and Servicing Company', a limited liability company fully owned by MERS. The objectives of the company include fruits & vegetables, General merchandise, restaurants, Cafeterias, ice cream, Markets grocery & supplying, Scholastic scientific, library tools, Café, juice & roasters. Maar Trading and Servicing Company will be one of MERS' subsidiary companies. (QSE)
- QIGD to hold its EGM on May 22** – Qatari Investors Group (QIGD) announced that it will hold its Extra Ordinary General Meeting (EGM) on May 22, 2019. In case the quorum is not met, an alternate meeting will be held on May 29, 2019. (Gulf-Times.com)
- OBG: Qatar's four Islamic banks' total assets rose 1.77% in the first nine months of 2018** – The total assets of Qatar's four Islamic banks rose by 1.77%, while their financing assets climbed by 3.81% in the first nine months of 2018, Oxford Business Group (OBG) stated in a report. The sector also remained profitable during this period, with net profit showing 8.36% YoY gain. Importantly, the margins secured during this 'challenging' period were made without any significant deterioration in financial stability indicators, OBG noted in its 'The Report: Qatar 2019'. According to Malaysia-based Islamic Financial Services Board, Qatar's four Islamic banks - QIBK, Masraf Al Rayan, QIIB and Barwa - showed a capital adequacy ratio of 17.3% in the second quarter of 2018, against 17.5% at the end of 2016. Meanwhile, non-performing financing showed only a modest gain over the same period, rising from 0.6% to 1.2%. Qatar's Islamic banks have grown more quickly than their conventional counterparts over recent years, and collectively posted a 9.1% growth in assets over 2017 to continue this trend. However, the diplomatic crisis that began in 2017 led to concerns regarding the performance of the nation's Islamic financial institutions. Following the June 2017 economic blockade of the country, the government 'moved quickly' to defend the banking sector with injections of public liquidity, a capability it enjoys thanks in large part to Qatar's sizeable reserves and the revenues it receives from its hydrocarbons exports. (Gulf-Times.com)
- The Commercial Bank's long-term foreign currency rating affirmed at 'A-' by Capital Intelligence** – Capital Intelligence (CI), an international credit rating agency, affirmed the long-term foreign currency rating (LT FCR) of The Commercial Bank at 'A-'. At the same time, CI has adjusted the bank's short term foreign currency rating (ST FCR) to 'A1' from 'A2'. The lender has also been assigned a bank standalone rating (BSR) of 'bbb-', a core financial strength (CFS) rating of 'bb+' and an extraordinary support level (ESL) of 'high'. The bank's LT FCR is set three notches above the BSR to reflect the high likelihood of extraordinary support from the government in the event of financial distress. This is based on the government's strong track record of support for Qatari banks. Its BSR is based on a CFS rating of 'bb+' and an operating environment risk anchor of 'bbb'. These include the good domestic franchise as the second largest conventional bank in Qatar and the diversification and future growth opportunities provided by the Turkish subsidiary. The one positive area of the financial metrics is the profitability where operating and net profitability both improved. (Gulf-Times.com)
- Qatar's trade surplus drops more than 4% YoY to QR12.75bn in March** – Qatar witnessed more than 4% YoY decline in trade surplus to QR12.75bn in March this year even as imports fell faster than exports, according to the official statistics. The country's trade surplus saw 7.4% MoM fall in the review period with imports growing at double digits, according to figures released by the Planning and Statistics Authority (PSA). In absolute terms, Japan, South Korea, India, China and Singapore were among the largest export markets of Qatar, while imports mainly came from the US, China, Turkey, Germany and India in the review period. In March 2019, total exports of goods (including exports of goods of domestic origin and re-exports) amounted to QR22.35bn, showing a decline of 6.3% compared to March 2018, but was up a marginal 0.4% against February this year. (Gulf-Times.com)
- Qatar's April financial center PMI falls to 48.9 from 50.1 in March** – Qatar's April financial center Purchasing Managers' Index (PMI) fell to 48.9 from 50.1 in March. Employment fell to 48.7 in April from 49.2 in March. (Bloomberg)
- QFMA issues new listing rules and governance code for funds** – The Qatar Financial Markets Authority (QFMA) announced on Monday the issuance of Governance Code for Listed Funds and Listing Rules for Funds' Units listed on the Qatar Stock Exchange (QSE). This issuance comes as a part of the QFMA's ongoing development of its regulations to enhance attractiveness of investment environment of the capital market, as well as to increase diversity of the financial products listed on the QSE. The QFMA noted in its statement on Monday that it will continue to strengthen its regulations to meet investors' needs by adopting the best international practices related to investment funds and relevant governance. This is a significant step for QFMA while exerting efforts to develop the Qatari capital market, and strengthening the elements that attract local and international funds for listing on the QSE. The QFMA added that the revision and updating of the Listing Rules and Governance Code would provide a clear framework for the local and international fund management companies to be listed on the QSE and encourage the development of asset management in the State of Qatar. (Gulf-Times.com)
- Kahramaa, Umm Al Houl Power sign pact to increase water desalination capacity** – Under the patronage, and in the presence of HE Saad bin Sherida Al Kaabi, the Minister of State for Energy Affairs and the President & CEO of Qatar Petroleum, the General Electricity and Water Corporation (Kahramaa) and Umm Al Houl Power Company signed an amendment to their agreement on the provision of electricity and water. The amendment will increase water desalination capacity by 61.5mn gallons per day (about 280,000 cubic meters), which enhances Kahramaa's capabilities for sustainable supply of high quality water and electricity in Qatar. Under the agreement, Umm Al Houl will build and operate an expansion to the existing plant that would raise its overall capacity to 198mn gallons of water per day by 2021. The expansion will use the

new reverse osmosis technology, which will improve production efficiency and reduce the use of gas in production systems. Umm Al Houl Power will act as the project's developer, while Samsung will be the main contractor and Acciona will be the supplier and sub-contractor. (Peninsula Qatar)

- **Shura Council discusses draft law on regulating Zakat Fund** – The Shura Council, at its weekly meeting chaired by Speaker HE Ahmed bin Abdullah bin Zaid Al Mahmoud, discussed a draft law on the regulation of receipt and disbursement of Zakat funds. The draft law consisting of 16 articles comes to replace Law No. (8) of 1992 establishing the Zakat Fund. Under the draft law, the competent department of the Ministry of Awqaf and Islamic Affairs shall undertake the receipt and disbursement of Zakat funds in accordance with the aspects prescribed in Shari'ah. After discussion, the Shura Council decided to refer the above mentioned draft law to the Legal and Legislative Affairs Committee to study it and submit a report thereon to the council. (Qatar Tribune)

International

- **Fed flags high US business debt, asset prices in financial report** – US stock prices are “elevated” and business debt is at historic levels, but the financial system overall “appears resilient” with low levels of leverage and less of a destabilizing run in key markets, the Federal Reserve stated in its latest report on financial stability. “Investor appetite for risk appears elevated by several measures, and the debt loads of businesses are historically high,” the Fed stated on Monday in a report that noted the 20% growth in leveraged loans between the start of last year and this year, and other aspects of corporate debt. The ratio of debt to assets among publicly traded, nonfinancial firms is near a 20-year high, the Fed noted, and the share of new loans going to the most indebted companies is near peaks reached in 2014 and just before the 2007 to 2009 financial crisis. While the Fed sees the system overall as healthy, the levels of corporate debt stand out, according to the Fed Governor, Lael Brainard. (Reuters)
- **US: China reneged on trade commitments, sparking Trump tariff hike** – China backtracked on substantial commitments it made during trade talks with the US, prompting President Donald Trump to impose additional tariffs on Chinese goods slated to go into effect on Friday, top US trade officials said on Monday. The swift deterioration in negotiations between the world's two largest economies hit global financial markets as investors faced the prospect of an escalation rather than an end to a 10-month-old trade war. Trump tweeted on Sunday that he would raise tariffs on \$200bn worth of Chinese goods to 25% from 10% by the end of the week, and would “soon” target the remaining Chinese imports with tariffs, sending stocks and oil prices lower on Monday. US Trade Representative Robert Lighthizer, who has been an advocate for tough structural changes in China, said Beijing had reneged on commitments it had made previously that would have changed the agreement substantially. (Reuters)
- **Oil mixed, caught between US sanctions on Iran, Venezuela and trade dispute with China** – Oil prices were mixed on Tuesday as US sanctions on oil exporters Iran and Venezuela kept markets on edge while concerns that an escalating Sino-US trade dispute could slow the global economy also kept crude somewhat in check. Analysts said there were a number of factors putting upward pressure on oil prices. The US is tightening sanctions on Iranian oil exports and on Monday said it was boosting its military presence in the Middle East. Tehran has stated it would defy these sanctions and try to continue selling oil in the “grey market”. Iran has also threatened “reciprocal actions” against US sanctions, which could mean restarting some of its nuclear program. The US sanctions have already halved Iranian crude oil exports over the past year to below 1mn barrels per day (bpd), and shipments to customers are expected to drop as low as 500,000 bpd in May as US sanctions tighten. Beyond Iran, the crisis in Venezuela has also disrupted oil supplies from this OPEC member, with Washington placing oil sanctions on the Venezuelan government under President Nicolas Maduro. (Reuters)
- **Eurozone investor morale rises in May as recession fears fade** – Investor morale in the Eurozone improved in May for the third month in a row to hit its highest level since November 2018, helped by a buoyant global environment and the danger of a disorderly Brexit being averted until October. The Sentix research group stated on Monday its investor sentiment index for the Eurozone rose to 5.3 in May from -0.3 in April. Analysts had expected a reading of 1.4. A sub-index on Eurozone expectations improved for the fourth month in a row, reaching -0.3, its highest level since March last year. A current situation index rose to 11.0 from 3.8. Investor morale also improved in Germany, with an investor sentiment index for Europe's largest economy rising to 7.9 - its highest since November 2018 - from 2.1 in April. (Reuters)
- **PMI: Eurozone economy limped into the second quarter** – The Eurozone economy limped into the second quarter with lackluster growth as weakness in the manufacturing sector is increasingly affecting the bloc's dominant services industry, a survey showed on Monday. IHS Markit's Eurozone Composite Final Purchasing Managers' Index (PMI), considered a good measure of overall economic health, dipped to 51.5 in April from March's 51.6. That was higher than an earlier flash reading of 51.3 but close to the 50 mark separating growth from contraction. In the first quarter the economy grew a surprisingly strong 0.4%, official data showed last week, but an April Reuters poll suggested growth would slow to 0.3% this quarter. Once again some of that activity was generated by firms filling in past orders. The backlogs of work index were well below the breakeven mark at 48.6, not much higher than March's more than four-year low of 48.2. A PMI covering the services industry fell to 52.8 from 53.3. A factory PMI released last week showed activity contracted for a third consecutive month in April. As a downturn in manufacturing usually spreads to services, optimism waned. The business expectations index for services firms dipped to 62.2 from 62.3. (Reuters)
- **PMI: Services sparkle, but for Germany's manufacturers it's murkier** – Germany's service-sector boom continued in April, creating jobs at the fastest rate in over a decade and offsetting a deteriorating climate in the manufacturing sector, purchasing manager data from research firm Markit showed on Monday. Continuing last month's trend, the Germany Service PMI index

rose to 55.7 from 55.4 in March highest reading since September led by strong growth in the post and telecoms sector. Service providers were hiring at their fastest rate since October 2007, with numbers nearing their highest since data was first collected 22 years ago, with rising wages feeding through into both input cost and sales price inflation. Only the transport and storage services sectors showed a decrease in activity, reflecting the manufacturing weakness that is dragging on Markit's Germany Composite Output index. Coming in at 52.2, that reading was one of the lowest seen in six years, though it was nonetheless up on the previous month's 51.4, due to the strong services performance. (Reuters)

- **Japan's April manufacturing PMI returns to expansion but export orders, output still falling** – Japanese manufacturing activity expanded in April for the first time in three months as companies hired more workers and grew more optimistic about the business outlook, a preliminary survey showed on Tuesday. But the survey also showed new export orders fell in April at a faster rate than the previous month, in a reminder of the damage to Asia's exporters from the US-China trade war and weak global demand for semiconductors. The Markit/Nikkei Japan Flash Manufacturing Purchasing Managers Index (PMI) rose to a seasonally adjusted 50.2 in April from a final 49.2 in the previous month. For the first time since January, the index swung above the 50 threshold that separates contraction from expansion, though the improvement was modest. The index measuring employment suggested companies were creating jobs at the fastest pace since November, while optimism over the one-year production outlook rose to five-month high. But factory output and overall new orders continued to shrink, albeit at a milder pace, while companies stepped up efforts to clear excess inventories, suggesting they do not see a near-term rebound in activity. A gauge of new export orders fell at a sharper pace, dropping to 47.8 from 48.1 in March. (Reuters)

Regional

- **S&P: GCC Islamic banks will likely stay resilient in 2019-2020** – Shari'ah-compliant lenders in the GCC are expected to show resilience over the next two years after weathering tough market conditions in 2018, S&P stated. "In 2018, GCC Islamic banks expanded slower than conventional peers for the first time in five years," Global Head of Islamic Finance at S&P, Mohamed Damak said. "However, the growth difference was a mere 1%, which explains why we think the conventional and Islamic banks in our sample will see similar growth patterns in 2019-2020," he added. The growth forecast for Islamic banks for 2019-2020 is the same as what the rating agency is estimating for conventional lenders in the region. The mid-single-digit growth for both types of banks predicted by S&P is based on several factors, including "our forecast of muted GCC economic growth over this period, despite some benefit from government spending and strategic initiatives such as national transformation plans and Dubai Expo 2020," he wrote in the report. GCC Islamic banks' asset-quality indicators stabilized in 2018, with the non-performing financing ratio averaging 3.1% of total financings for the banks, the report stated. Provisions more than covered these exposures with a coverage ratio of 167.7% on the same date. This is an improvement over 2017,

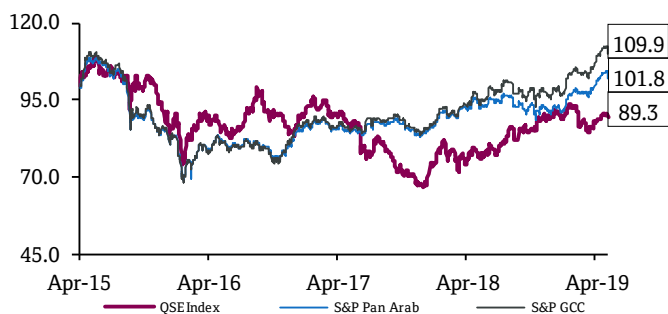
due to the adoption of International Financial Reporting Standards (IFRS) 9. (Qatar Tribune)

- **ALAWWAL's net profit falls 23.3% YoY to SR219.5mn in 1Q2019** – Alawwal Bank (ALAWWAL) recorded net profit of SR219.5mn in 1Q2019, registering decrease of 23.3% YoY. Total operating profit rose 4.6% YoY to SR899.6mn in 1Q2019. Total revenue for special commissions/investments rose 2.1% YoY to SR917.9mn in 1Q2019. Total assets stood at SR79.6bn at the end of March 31, 2019 as compared to SR88.8bn at the end of March 31, 2018. Loans and advances stood at SR55.8bn (-8.2% YoY), while customer deposits stood at SR61.8bn (-12.3% YoY) at the end of March 31, 2019. EPS came in at SR0.19 in 1Q2019 as compared to SR0.25 in 1Q2018. (Tadawul)
- **Japan's SoftBank set for small profit rise, Vision Fund IPO plans eyed** – Japan's SoftBank Group Corp is expected to report a small rise in its fourth-quarter profit, while investors look for details on whether the conglomerate plans to monetize its almost \$100bn Vision Fund through an IPO. SoftBank is considering taking the Saudi Arabia-backed investment fund public, sources said, adding that no formal process has been started. Following the listing of the group's domestic telco SoftBank Corp in December, the Vision Fund is the largest segment in SoftBank's earnings without a market valuation. It is, however, unclear how the world's largest technology investment fund could be listed in its current form. The results come at a potential inflection point for the group and the Vision Fund as portfolio companies like Uber Technologies and the owner of WeWork, The We Company, prepare to list, putting a price tag on some of the conglomerate's largest bets on unlisted startups. With investors struggling to quantify Vision Fund's growing investments amid a lack of clarity over its valuation methods, analysts think the listings could help underscore its strategy. (Reuters)
- **China's Hengli boosts Saudi Arabian oil buys as new refinery ramps up** – China's privately owned Hengli Petrochemical has increased its Saudi Arabian crude imports for April and May as it prepares to bring a new refinery in northeastern China to full capacity, according to officials and ship tracking data. The purchases have kept Saudi Arabian crude exports to China elevated so far in the second quarter despite lower global demand during peak refinery maintenance season. Saudi Arabian oil exports to China averaged at 1.37mn bpd in the first four months this year, up from 1.01mn bpd in the same period of 2018, Refinitiv trade flow data showed. Hengli is expected to lift 6mn to 8mn barrels of Saudi Arabian crude in May (194,000 bpd to 258,000 bpd), after loading about 8mn barrels in April, the highest monthly intake since it started trial runs at its 400,000-bpd refinery in December, sources said. "The plant is now running at 85% to 90% capacity. It can reach full capacity very, very soon," a company Executive with direct knowledge of the plant's operation said. A second company source said that the plant is targeting May 20 for full operations. (Reuters)
- **UAE Investment Banks Arqaam Capital and TNI are said to weigh merger** – Dubai-based Arqaam Capital Ltd. and Abu Dhabi's The National Investor (TNI) are weighing a possible merger, according to sources. The investment banks are in talks about a combination that will create an entity with an equity value of about \$250mn, according to sources. Arqaam Capital

will have management control of the merged bank and its investors will hold about 40%, sources said. Discussions are at an early stage and may not lead to a deal. (Bloomberg)

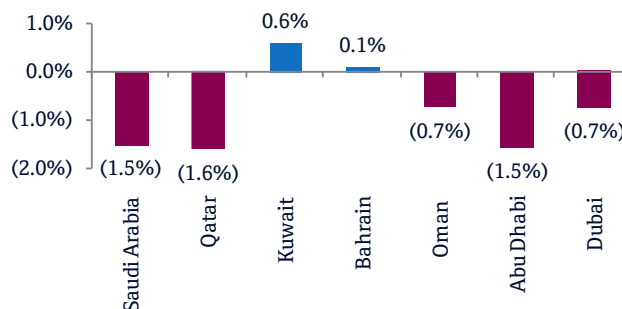
- **UAE mulls raising foreign ownership in insurance firms to 100%** – The UAE's Insurance Authority is considering increasing foreign ownership limit in insurance companies to 100% instead of 49%, Director General of the Insurance Authority, Ebrahim Obaid Al Zaabi told Al Bayan newspaper. He added that foreign companies' branches in the GCC nation are fully owned by non-Emiratis. He pointed out that the authority has no intentions to raise the capital of the UAE's insurance firms. (Zawya)
- **NBQ posts 3.2% YoY rise in net profit to AED135.2mn in 1Q2019** – National Bank of Umm Al-Qaiwain (NBQ) recorded net profit of AED135.2mn in 1Q2019, an increase of 3.2% YoY. Net interest income and income from Islamic products net of distribution to depositors fell 9.4% YoY to AED131.3mn in 1Q2019. Operating income fell 9.1% YoY to AED111.1mn in 1Q2019. Total assets stood at AED14.4bn at the end of March 31, 2019 as compared to AED14.7bn at the end of December 31, 2018. Loans and advances stood at AED8.9bn (-0.3% QoQ), while customers' deposits stood at AED9.5bn (-2.3% QoQ) at the end of March 31, 2019. EPS remained flat YoY at AED0.07 in 1Q2019. (ADX)
- **Bahrain relaxes foreign investment rules in its energy sector** – Bahrain's government has relaxed rules on foreign investment in its energy sector as the nation takes steps to reform the smallest economy in the oil-rich, six-member GCC. The cabinet allowed companies with 100% foreign ownership to extract oil and gas in the Kingdom after receiving a concession contract from the government, according to the state-run Bahrain News Agency. It has also approved a series of measures to help small traders, including allowing them to reschedule late payments. The cabinet instructed the central bank and lenders to offer more credit facilities to small and medium sized enterprises. (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 1.14x** – Bahrain has sold BHD70mn of 91 day bills due on August 7, 2019. Investors have offered to buy 1.14 times the amount of securities sold. The bills were sold at a price of 99.18, having a yield of 3.27% and will settle on May 8, 2019. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,281.10	0.2	0.2	(0.1)
Silver/Ounce	14.90	(0.2)	(0.2)	(3.8)
Crude Oil (Brent)/Barrel (FM Future)	71.24	0.6	0.6	32.4
Crude Oil (WTI)/Barrel (FM Future)	62.25	0.5	0.5	37.1
Natural Gas (Henry Hub)/MMBtu	2.56	(1.9)	(1.9)	(19.7)
LPG Propane (Arab Gulf)/Ton	59.50	(0.2)	(0.2)	(7.0)
LPG Butane (Arab Gulf)/Ton	56.25	(2.6)	(2.6)	(19.1)
Euro	1.12	0.0	0.0	(2.3)
Yen	110.76	(0.3)	(0.3)	1.0
GBP	1.31	(0.6)	(0.6)	2.7
CHF	0.98	(0.1)	(0.1)	(3.6)
AUD	0.70	(0.4)	(0.4)	(0.8)
USD Index	97.52	(0.0)	(0.0)	1.4
RUB	65.22	0.2	0.2	(6.4)
BRL	0.25	(0.7)	(0.7)	(2.1)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,166.66	(0.5)	(0.5)	15.0
DJ Industrial	26,438.48	(0.3)	(0.3)	13.3
S&P 500	2,932.47	(0.4)	(0.4)	17.0
NASDAQ 100	8,123.29	(0.5)	(0.5)	22.4
STOXX 600	386.95	(0.8)	(0.8)	12.1
DAX	12,286.88	(1.0)	(1.0)	13.9
FTSE 100 [#]	7,380.64	0.0	0.0	13.1
CAC 40	5,483.52	(1.1)	(1.1)	13.4
Nikkei [#]	22,258.73	0.0	0.0	10.0
MSCI EM	1,062.64	(1.9)	(1.9)	10.0
SHANGHAI SE Composite	2,906.46	(6.0)	(6.0)	18.5
HANG SENG	29,209.82	(2.9)	(2.9)	12.8
BSE SENSEX	38,600.34	(1.2)	(1.2)	7.5
Bovespa	95,008.66	(1.5)	(1.5)	5.8
RTS	1,245.59	(0.2)	(0.2)	16.5

Source: Bloomberg (*\$ adjusted returns, [#]Market was closed on May 06, 2019)

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