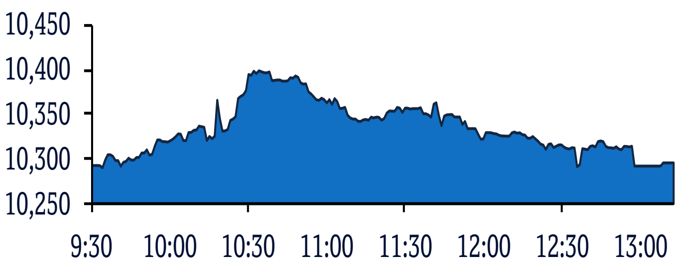
Daily Market Report

Monday, 10 June 2019

QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.2% to close at 10,295.8. Losses were led by the Real Estate and Transportation indices, falling 1.2% and 0.7%, respectively. Top losers were Mannai Corporation and The Commercial Bank, falling 2.5% and 2.1%, respectively. Among the top gainers, Qatari German Company for Medical Devices gained 9.8%, while Al Khaleej Takaful Insurance Company was up 8.7%.

GCC Commentary

Saudi Arabia: The TASI Index gained 2.1% to close at 8,699.2. Gains were led by the Software & Serv. and Transport. indices, rising 4.3% and 4.1%, respectively. Saudi Public Transport rose 10.0%, while Allianz Saudi Fransi Coop. Ins. was up 9.8%.

Dubai: The DFM Index gained 1.2% to close at 2,651.0. The Insurance index rose 8.5%, while the Consumer Staples and Discretionary index gained 4.2%. Islamic Arab Insurance Company rose 15.0%, while Dar Al Takaful was up 10.2%.

Abu Dhabi: The ADX General Index fell 0.9% to close at 4,956.3. The Real Estate index declined 2.0%, while the Banks index fell 1.1%. National Marine Dredging Company declined 9.8%, while Reem Investments was down 5.1%.

Kuwait: The Kuwait Main Market Index gained 0.5% to close at 4,792.8. The Real Estate index rose 1.8%, while the Banks index gained 1.4%. Al-Eid Food Company rose 17.8%, while Ajwan Gulf Real Estate Company was up 14.7%.

Oman: The MSM 30 Index gained 0.3% to close at 3,954.7. Gains were led by the Industrial and Services indices, rising 0.7% and 0.2%, respectively. Al Anwar Ceramic Tiles rose 4.0%, while Oman Fisheries was up 3.2%.

Bahrain: The BHB Index gained 0.8% to close at 1,446.0. The Commercial Banks index rose 1.3%, while the Investment index gained 0.3%. Esterad Investment Company rose 8.3%, while Ahli United Bank was up 2.2%.

Market Indicators	09 June 19	03 June 19	%Chg.
Value Traded (QR mn)	195.6	439.7	(55.5)
Exch. Market Cap. (QR mn)	565,593.3	567,688.8	(0.4)
Volume (mn)	10.5	12.6	(16.8)
Number of Transactions	6,918	9,203	(24.8)
Companies Traded	45	42	7.1
Market Breadth	23:19	29:11	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,945.10	(0.2)	(0.2)	4.4	14.5
All Share Index	3,041.09	(0.3)	(0.3)	(1.2)	14.5
Banks	3,968.95	(0.5)	(0.5)	3.6	13.8
Industrials	3,201.71	(0.4)	(0.4)	(0.4)	16.1
Transportation	2,414.84	(0.7)	(0.7)	17.2	13.0
Real Estate	1,546.12	(1.2)	(1.2)	(29.3)	12.9
Insurance	3,053.35	(0.6)	(0.6)	1.5	17.6
Telecoms	892.88	0.1	0.1	(9.6)	18.3
Consumer	7,942.88	2.1	2.1	17.6	15.5
Al Rayan Islamic Index	4,025.70	0.2	0.2	3.6	13.8

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
DAMAC Properties	Dubai	0.94	9.3	39,101.4	(37.7)
DP World	Dubai	17.98	5.1	215.4	5.1
Saudi Cement Co.	Saudi Arabia	65.90	4.1	147.2	35.7
National Petrochem. Co.	Saudi Arabia	25.20	3.8	120.4	3.7
Saudi Telecom Co.	Saudi Arabia	104.00	3.4	587.0	15.3

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emaar Malls	Dubai	1.88	(3.1)	7,454.9	5.0
Abu Dhabi Comm. Bank	Abu Dhabi	8.74	(2.7)	3,107.8	7.1
Aldar Properties	Abu Dhabi	1.78	(2.2)	2,772.8	11.3
The Commercial Bank	Qatar	47.40	(2.1)	38.3	20.3
Barwa Real Estate Co.	Qatar	35.12	(1.3)	146.5	(12.0)

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%
Qatari German Co for Med. Devices	5.59	9.8	431.6	(1.2)
Al Khaleej Takaful Insurance Co.	17.90	8.7	192.3	108.4
Doha Insurance Group	11.80	6.3	2.8	(9.9)
Salam International Inv. Ltd.	4.30	4.6	249.3	(0.7)
Islamic Holding Group	21.22	4.1	20.3	(2.9)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Mannai Corporation	38.90	(2.5)	80.9	(29.2)
The Commercial Bank	47.40	(2.1)	38.3	20.3
Qatar Navigation	62.71	(2.0)	4.1	(5.0)
Qatar Industrial Manufacturing	37.81	(1.8)	9.2	(11.5)
Mazaya Qatar Real Estate Dev.	7.40	(1.7)	303.5	(5.1)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	7.24	(1.4)	2,961.8	5.1
Qatar First Bank	4.29	2.1	1,596.3	(44.2)
Investment Holding Group	5.75	3.2	819.5	17.6
Qatar Aluminium Manufacturing	9.96	(0.9)	443.1	(25.4)
Qatari German Co for Med. Devices	5.59	9.8	431.6	(1.2)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Qatar Fuel Company	213.00	3.4	21,653.5	28.3
Ezdan Holding Group	7.24	(1.4)	21,417.2	(44.2)
QNB Group	184.05	(1.0)	20,416.4	(5.6)
Qatar Islamic Bank	172.00	1.2	17,288.7	13.2
Qatar International Islamic Bank	73.39	(0.7)	14,375.0	11.0

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*	10,295.78	(0.2)	(0.2)	0.2	(0.0)	53.52	155,368.5	14.5	1.6	4.2
Dubai	2,650.95	1.2	1.2	1.2	4.8	51.29	95,696.5	11.8	1.0	4.6
Abu Dhabi	4,956.25	(0.9)	(0.9)	(0.9)	0.8	27.94	138,063.6	14.7	1.5	5.0
Saudi Arabia	8,699.22	2.1	2.1	2.1	11.1	665.45	545,107.6	19.9	1.9	3.3
Kuwait	4,792.79	0.5	0.5	1.2	1.1	145.76	33,189.5	14.6	0.9	3.8
Oman	3,954.74	0.3	0.3	0.5	(8.5)	3.06	17,174.2	7.8	0.8	7.0
Bahrain	1,446.01	0.8	0.8	0.9	8.1	23.32	22,443.7	10.6	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)

Qatar Market Commentary

- The QE Index declined 0.2% to close at 10,295.8. The Real Estate and Transportation 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.
- Mannai Corporation and The Commercial Bank were the top losers, falling 2.5% and 2.1%, respectively. Among the top gainers, Qatari German Company for Medical Devices gained 9.8%, while Al Khaleej Takaful Insurance Company was up 8.7%.
- Volume of shares traded on Sunday fell by 16.8% to 10.5mn from 12.6mn on Monday. Further, as compared to the 30-day moving average of 31.0mn, volume for the day was 66.3% lower. Ezdan Holding Group and Qatar First Bank were the most active stocks, contributing 28.3% and 15.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	50.29%	50.18%	220,782.27
Qatari Institutions	18.28%	10.83%	14,569,038.59
Qatari	**68.57%**	**61.01%**	**14,789,820.86**
GCC Individuals	0.89%	0.67%	435,136.00
GCC Institutions	1.74%	1.55%	381,904.69
GCC	**2.63%**	**2.22%**	**817,040.69**
Non-Qatari Individuals	11.65%	11.28%	707,136.97
Non-Qatari Institutions	17.15%	25.49%	(16,313,998.52)
Non-Qatari	**28.80%**	**36.77%**	**(15,606,861.55)**

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

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

News

Qatar

- **QSE executes splits of share for CBQK –** Qatar Stock Exchange (QSE) announced that the split of shares for The Commercial Bank (CBQK) has been executed, effective from June 10, 2019. The new number of CBQK's shares after the split is 4,047,253,750 and the adjusted closing price of QR4.74 per share. (QSE)
- **QSE executes splits of share for QFBQ –** Qatar Stock Exchange (QSE) announced that the split of shares for Qatar First Bank (QFBQ) has been executed, effective from June 10, 2019. The new number of QFBQ's shares is 2,000,000,000 with adjusted closing price of QR0.429 per share. (QSE)
- **QFC imposes additional restrictions on UAE bank –** Qatar has placed further restrictions on First Abu Dhabi Bank (FAB), the UAE's largest lender, as it continues a probe into alleged currency manipulation begun after the blockade in mid-2017. Regulatory Authority of Qatar Financial Centre (QFC) stated it was prohibiting FAB from undertaking any new business for customers of its Doha branch. It has barred FAB from providing services for new customers since March but had allowed the bank to continue working with existing customers. QFC stated in March that FAB had failed to produce documents relevant to the currency manipulation investigation. In a statement, QFC stated the new bar was because FAB continues to fail to satisfy

the Regulatory Authority of its fitness and propriety in respect of its conduct in the QFC. (Qatar Tribune)

- **MERS appoints new CEO –** Al Meera Consumer Goods Company's (MERS) board of directors appointed Yousef Ali A Y Al-Obaidan as the new CEO of the company. (QSE)
- **IMF: Qatar's gross external debt to fall over medium term –** Qatar's gross external debt, which is sizeable under the baseline, is projected to fall over the medium term, according to the International Monetary Fund (IMF). In its recently released Article IV consultation report, the Bretton Woods institution stated Qatar's gross external debt has increased in recent years, from below 60% of GDP in 2013 to above 100% of GDP in 2018, reflecting growth of the banking sector's external liabilities, public-sector borrowing in response to lower oil prices, and the significant fall in nominal GDP associated with reduced oil prices. The significant external assets held by the Qatar Investment Authority (QIA) and the banking sector mitigates potential risks posed by gross external liabilities. "By 2024, gross external debt is projected to fall to nearly 75% of GDP," IMF stated. The report also noted that Qatar's real effective exchange rate has depreciated broadly in line with the US Dollar with some appreciation in the recent months. (Gulf-Times.com)
- **SIIS to hold its board meeting on June 25 to study some potential investment opportunities –** Salam International Investment Limited (SIIS) announced that its board of directors will hold its meeting on June 25, 2019 to study some potential investment opportunities and follow up the execution of previous resolutions. (QSE)
- **Vodafone and ESL launch world's first international 5G mobile eSports tournament –** Vodafone and ESL, the world's largest eSports company, have launched the Vodafone 5G ESL Mobile Open – a mobile gaming tournament with the first Grand Final in competitive international eSports to be played live over a 5G network. The Vodafone 5G ESL Mobile Open is open to players from 17 countries where Vodafone is present that includes Qatar. (QSE)
- **IDC: Smartphone shipments to Qatar jump 7.9% in 1Q2019 –** Smartphone shipments to Qatar in the first quarter of the year rose 7.9% from the previous quarter as mobile shipments across GCC crossed 6mn units in the first three months of 2019, according to a new report. Qatar had seen a robust 9.8% growth in its smartphone shipments in the fourth quarter of last year, becoming the only country in the GCC where shipments of smartphones grew QoQ. In 1Q2019, however, the shipments to Qatar lost a bit of their steam, settling in the third position behind Saudi Arabia and UAE, market research firm International Data Corporation's (IDC) newly released Quarterly Mobile Phone Tracker showed. Smartphone shipments to Saudi Arabia and UAE grew 15.1% and 10.8%, respectively, it added. (Qatar Tribune)
- **Hassad Food's CEO: New investment in food central to economic diversification –** New investment in food and agriculture is a central part of Qatar's overarching strategy to diversify the economy, Hassad Food's CEO, Mohamed Badr Al-Sada said and noted agri-business and the broader food production and processing industry in Qatar has experienced significant growth in recent years. International investment in food production should always be based on a market's overall strategy for food security and the broader dynamics of the global end-to-end agri-food value chain, Al-Sadah said in an interview with Oxford Business Group (OBG). "Additionally, maintaining a balance between local production and imports is vital. This is being ensured through our strategic investments in countries including Sudan, Oman and Australia, and through a food security program," Al-Sada said. On Qatar's food sector, he said most food was previously imported from neighboring states, but logistical costs have increased due to the blockade. As imports become more expensive, locally produced foods are in turn becoming more competitive. (Gulf-Times.com)
- **Qatar-US trade volume jumps over 50% in April –** The Qatar-US bilateral trade volume continued to register double-digit growth in April this year. The total value of trade exchange in goods between the two countries touched QR1.39bn in April, registering a sharp jump of over 50% YoY compared to QR926.03mn for the corresponding month last year. The combined value of two-way trade exchange in goods between Qatar and the US for the first four months of this year (January-April 2019) has surpassed over QR8.32bn, witnessing a remarkable growth of over 58% compared to QR5.24bn for the same period in the previous year (January-April 2018), online data released by the United States Census Bureau showed. The total value of US trade surplus against Qatar for the first four months of this year has reached QR1.94bn. The US exports to Qatar for the period reached QR5.13bn and its imports from Qatar stood at QR3.19bn. On monthly basis, the value of the US exports of goods to Qatar in April 2019 stood at $214.3mn, while its imports from Qatar stood at $168.5mn, earning a trade surplus of $45.8mn. When compared on quarterly basis, we can see that efforts to boost bilateral trade and economic cooperation between the two countries have yielded positive results. Both the trade exchange and trade balance (from the exchange of goods) between Qatar and the US registered a sharp jump in the first quarter of this year. (Peninsula Qatar)

International

- **World economy's guardians signal readiness to cushion trade risk –** After days of wrangling over the wording of a communiqué, finance Chiefs from the world's largest economies warned that escalating trade and geopolitical tensions pose the biggest risk to global growth. Officials said that although growth appears to be stabilizing, it remains low and risks remain tilted to the downside, according to the statement. "Most importantly, trade and geopolitical tensions have intensified. We will continue to address these risks, and stand ready to take further action," officials said. Trade issues dominated discussions as officials gathered in the port city of Fukuoka in southwestern Japan. The meeting opened with news of US President, Donald Trump's reversal of plans for new tariffs on Mexico, offering a sliver of good news for officials facing a lengthening worry list. The gathering also marked the first meeting of top US and Chinese officials since negotiations between both governments for a trade agreement collapsed last month. (Bloomberg)
- **Global gas demand to grow at 1.6% per year until 2024 –** Global gas demand is expected to grow at a rate of 1.6% a year until 2024, fueled by Chinese consumption which will account for

over a third of the demand growth during the period, the International Energy Agency (IEA) stated. China's push to switch from coal to gas in power generation and natural gas for residential use to improve air quality under its blue skies initiative will play a major role in driving demand, IEA stated. China's gas demand growth is seen at an average rate of 8%, down from the two-digit growth rate in recent years as its economic growth slows, but would still account for around 40% of the global demand increase in the coming years, according to IEA's Director for Energy Markets & Security, Keisuke Sadamori. The Asia-Pacific region will remain the largest source of gas consumption growth in the medium term with an average rate of 4% per year, and will account for around 60% of the total consumption increase until 2024. Domestic demand in the US, the Middle East and North Africa, would contribute to the growth in demand, the IEA stated in its annual gas market report. Gas demand in Europe will benefit from the shutdown of coal and nuclear power plants, but gains would be limited by the expansion of renewables and lower demand for heating. The industrial sector is expected to be a strong source of growth, accounting for almost half of the global increase, replacing power generation as the main growth driver. (Qatar Tribune)

- **ECB policymakers open to cut rates if growth weakens –** European Central Bank (ECB) policymakers are open to cutting the ECB's policy rate again if economic growth weakens in the remainder of the year and a strong euro hurts a bloc already bearing the brunt of a global trade war, according to sources. ECB stated that its interest rates would stay at their present levels until mid-2020 but President Mario Draghi added rate setters had started a discussion about a possible cut or fresh bond purchases to stimulate inflation. The apparently mixed message failed to convince some investors, who saw it as too tenuous a commitment to more stimuli. (Zawya)
- **Japan's first quarter GDP growth revised up on capex, trade war poses risks to outlook –** Japan's economy grew slightly faster than initially estimated in the first quarter, thanks to stronger capital spending, but analysts said global trade tensions remain a drag on growth and raise risks to the outlook for the export-reliant nation. The world's third-largest economy is facing growing downward pressure as the US-China trade war intensifies and global demand wanes, while at home consumers are reluctant to spend. The economy grew an annualized 2.2% in January-March, stronger than economists' forecast for 2.1% annualized growth and the preliminary reading of the same rate of expansion, Cabinet Office data showed. The annualized growth rate translates into QoQ expansion of 0.6% from the previous quarter, compared with a 0.5% growth in the initial reading and the median forecast. The capital spending component of GDP rose 0.3% from the previous quarter, versus the median forecast for a 0.5% increase and the preliminary 0.3% fall. Private consumption, which accounts for some 60% of GDP fell 0.1% in the first quarter from the previous three months, unchanged from the preliminary reading. (Reuters)
- **China's exports unexpectedly returns to growth in May; imports shrink –** China's exports unexpectedly returned to growth in May despite higher US tariffs, but imports fell in a further sign of weak domestic demand that could prompt Beijing to step up stimulus measures. Some analysts suspected Chinese exporters may have rushed out US-bound shipments to avoid new tariffs on $300bn of goods that US President, Donald Trump is threatening to impose in a rapidly escalating trade dispute. While better than expected, export data is unlikely to ease fears that a longer and larger US-China trade war may no longer be avoidable, pushing the global economy towards recession. China's May exports rose 1.1% from a year earlier, blowing past analysts' expectations, customs data showed. Analysts polled by Reuters had expected May shipments from the world's largest exporter to have fallen 3.8% from a year earlier, after a contraction of 2.7% percent in April. While China is not as dependent on exports as in the past, they still account for nearly a fifth of its gross domestic product. China's imports dropped 8.5% in May, leaving the country with a trade surplus of $41.65bn for the month. Analysts had forecasted imports would fall 3.8% from a year earlier, reversing an expansion of 4% in April, which some had suspected was related to changes in company purchasing patterns ahead of a cut in the value-added tax. (Reuters)

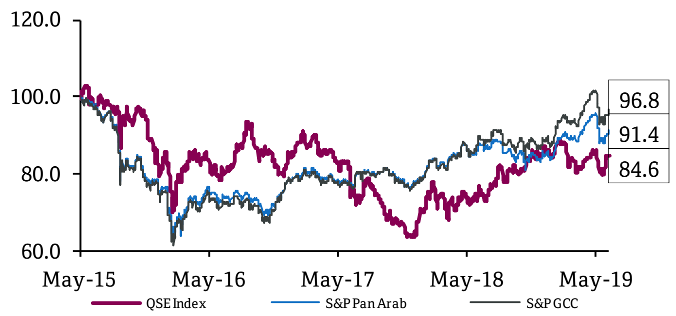
Regional

- **Middle East's UHNWIs pour $3.3bn into London real estate market –** With speculation continuing around a potential 'Hard Brexit' or 'no Brexit', Middle East's Ultra High Net Worth investors (UHNWIs) are continuing to pour billions into the UK's real estate market. The region's UHNWIs poured an estimated $3.3bn into London's real estate market in 2018. It may be noted that Qatar is one of the top real estate investors from the Middle East in the UK. In an environment where investors continue to hunt for yields whilst also balancing portfolio risks due to uncertainties, Middle East investors continue to seek assets in London due to its safe-haven status. This was evidenced in Knight Frank's Wealth Report 2019 which found that UHNWIs from the region allocated $3.3bn 2018 to property in London, despite concerns around BREXIT, taking advantage of a favorable currency environment with strengthening Dollar-pegged exchange rates against a weakening sterling, International Sales Director for Battersea Power Station Development Company (BPSDC), UK, Andrew Jones said. (Peninsula Qatar)
- **Iran has no plans to leave OPEC despite tensions, says Oil Minister –** Iran's Oil Minister, Bijan Zanganeh said, "Iran has no plans to leave OPEC and regrets that some members of OPEC have turned this organization into a political forum for confronting two founding members of OPEC, meaning Iran and Venezuela." He added, "And two regional countries are showing enmity towards us in this organization. We are not their enemy but they are showing enmity towards us and (they) use oil as a weapon against us in the global market and world." (Gulf-Times.com)
- **IIF: Saudi Arabia's PIF's assets estimated at $300bn –** Saudi Arabia is on track to hit a target of increasing its Public Investment Fund's (PIF) size to $400bn in 2020, with the Institute of International Finance (IIF) estimating that it currently has about $300bn worth of assets. In a note published, IIF stated that a key part of Saudi Arabia's Vision 2030 economic diversification plan involved "the transformation of the PIF from a state holding company into one of the world's

largest sovereign investment vehicle," with a proposal to grow assets to $400bn by 2020 and $2tn by 2030. "We now estimate PIF's assets at about $300bn, of which one-fourth are invested abroad," it stated, citing stakes the fund has taken in Softbank's Vision Fund, electric car maker Tesla, ride hailing firm Uber, Blackstone's infrastructure funds and investment funds in Russia and Egypt. "Proceeds from privatization (a target of about $200bn) and the eventual 5% sale of Aramco (a target of $100bn) will further boost the PIF's assets," IIF's note stated. The Initial Public Offering (IPO) of a 5% stake in state-owned oil giant Saudi Aramco was meant to be the first major step towards boosting PIF's coffers, however, it was delayed as the Saudi Arabian government instead sought to have the state-owned oil firm acquire PIF's 70% stake in petrochemicals giant Saudi Basic Industries, creating an enlarged upstream and downstream energy giant before a proposed listing. Saudi Aramco also launched its debut bond offer in April this year to help finance the $69bn deal, which the IIF said should complete before mid-2020. However, it added that "several regulatory procedures need to be addressed before proceeding with the 5% sale of Aramco." It also stated that the Kingdom's privatization efforts have thus far been delayed as a result of "legal impediments and concerns about implications for the labor market." (Zawya)

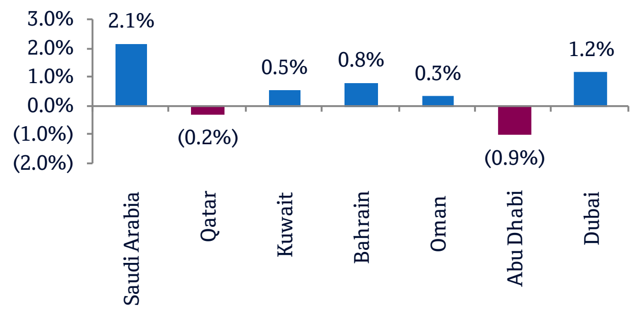
- **Sipchem inks primary hydrogen supply deal with Saudi Aramco Shell Refinery Company –** Sahara International Petrochemical Company (Sipchem) has signed a 20-year hydrogen supply agreement with Saudi Aramco Shell Refinery Company (SASREF), based in Jubail Industrial City. Under the deal, Sipchem will supply SASREF with the Hydrogen Gas that is required in SASREF's future production operations starting in 2020, according to a filing to the Saudi Stock Exchange (Tadawul). The agreement was signed by CEO of Sipchem, Abdullah Al-Saadoon and President of SASREF, Hussain Al-Qahtani. Sipchem noted that the deal will have a positive impact on the company's financial position starting from 2020. "This agreement is a continuation of Sipchem's efforts to utilize all available resources to maximize the added value of the company's products and enhance its revenues," the statement highlighted. Signing the agreement comes along with an on-going collaboration between both companies after signing the supply agreement for CO_2 in 2017. (Zawya)
- **Saudi Arabia's private sector growth rises to 17-month high in May –** Saudi Arabia's non-oil private sector growth rose to a 17-month high in May as credit conditions improved, output expanded and output prices increased, a monthly survey of companies showed. The seasonally adjusted Emirates NBD Saudi Arabia Purchasing Managers' Index rose to 57.3 in May from 56.8 in April, well above the 50 mark indicating expansion. Saudi Arabia's private sector was subdued last year as it felt the impact of fuel price hikes, the introduction of a 5% value-added tax and the higher cost of hiring foreign workers. However it has rebounded this year, with the index for purchasing managers averaging 56.8 points so far against last year's average of 53.8. "The gradual rise in the headline PMI this year suggests that growth in the Kingdom's non-oil private sector is recovering after a relatively soft 2018," Head of MENA research at Emirates NBD, Khatija Haque said. Job creation accelerated slightly to 50.5 in May from 50.1 a month earlier. Though still weak, May's rise in employment was the biggest jump since January. Output prices for goods and services rose for the first time in seven months after a significant drop in April. Output rose in May for the fifth month in a row, with the sub index climbing to 61.4 from 61.2 in April. This largely reflected improved demand conditions, according to the survey's authors. (Zawya)
- **UAE's private sector grows in May at fastest pace since October 2014 –** Growth in the UAEs' non-oil private sector rose in May at its fastest pace since October 2014, although job creation was largely stagnant, a survey showed. The seasonally adjusted Emirates NBD UAE Purchasing Managers' Index (PMI), which covers manufacturing and services and provides an overview of the private sector outside of the oil sector, rose to 59.4 in May from 57.6 a month earlier. A reading above 50 indicates expansion and below that, contraction. The output sub-index rose to 69.4 in May from 65.3 in April, while the new orders sub-index rose to 69.5 in May from 64.6 in the previous month. Stronger demand, marketing activity and the start of new projects all reportedly contributed to the increases, with companies largely expecting growth to continue over the coming year, the survey's authors said. External demand rose at the fastest pace in the index's nearly 10-year history as new work from Saudi Arabia and Oman in particular pushed the rate of growth in new export orders, according to survey respondents. "While the rise in the headline PMI indicates faster GDP growth in the UAE's non-oil private sector, the environment remains a challenging one for businesses," Head of MENA research at Emirates NBD, Khatija Haque said. Output and new order growth has come on the back of price discounting and new export orders, with job creation and wages remaining stagnant, she said. "When the headline PMI was last at a similar level (in October 2014 and January 2015) the survey showed solid growth in private sector jobs, which is not the case this time." The employment sub-index nudged down to 50.1, however, with non-oil companies still showing reluctance to hire additional staff. The UAE's economy grew about 1.7% in 2018, slower than projected despite a boost from higher oil prices, preliminary data showed in March. The economy is projected to grow 3.5% in 2019, helped by strong non-oil activity, the central bank stated in a quarterly report. (Zawya)
- **Dubai Electricity and Water Authority to study floating solar-power plants –** Dubai Electricity and Water Authority (DEWA) is seeking consultants for project to build floating solar-power facilities as part of a plan to boost supply of clean energy, it stated. It has issued a request for proposals for consultants to study and develop project for floating photovoltaic panels in the Persian Gulf. In May 2018, Dubai added 200 Megawatts of solar power in renewables push. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,340.81	0.4	2.7	4.6
Silver/Ounce	15.02	0.8	3.1	(3.1)
Crude Oil (Brent)/Barrel (FM Future)	63.29	2.6	(1.9)	17.6
Crude Oil (WTI)/Barrel (FM Future)	53.99	2.7	0.9	18.9
Natural Gas (Henry Hub)/MMBtu	2.43	1.3	(4.3)	(23.8)
LPG Propane (Arab Gulf)/Ton	48.00	6.7	(2.0)	(24.4)
LPG Butane (Arab Gulf)/Ton	40.25	4.5	(13.0)	(42.5)
Euro	1.13	0.5	1.5	(1.2)
Yen	108.19	(0.2)	(0.1)	(1.4)
GBP	1.27	0.3	0.9	(0.1)
CHF	1.01	0.4	1.3	(0.6)
AUD	0.70	0.3	0.9	(0.7)
USD Index	96.54	(0.5)	(1.2)	0.4
RUB	64.84	(0.4)	(0.9)	(7.0)
BRL	0.26	0.0	1.1	0.0

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,126.88	1.1	3.9	12.9
DJ Industrial	25,983.94	1.0	4.7	11.4
S&P 500	2,873.34	1.0	4.4	14.6
NASDAQ 100	7,742.10	1.7	3.9	16.7
STOXX 600	377.48	1.3	3.9	10.7
DAX	12,045.38	1.2	4.4	13.1
FTSE 100	7,331.94	1.3	3.3	9.0
CAC 40	5,364.05	2.0	4.6	12.3
Nikkei	20,884.71	0.6	1.8	6.6
MSCI EM	1,007.39	0.5	0.9	4.3
SHANGHAI SE Composite	2,827.80	0.0	(2.5)	12.9
HANG SENG	26,965.28	0.0	0.2	4.2
BSE SENSEX	39,615.90	0.0	0.1	10.4
Bovespa	97,821.26	1.1	2.5	11.8
RTS	1,325.95	0.5	3.0	24.1

Source: Bloomberg (*$ adjusted returns)

Contacts

Saugata Sarkar, CFA, CAIA
Head of Research
Tel: (+974) 4476 6534
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
Tel: (+974) 4476 6509
shahan.keushgerian@qnbfs.com.qa

Zaid al-Nafoosi, CMT, CFTe
Senior Research Analyst
Tel: (+974) 4476 6535
zaid.alnafoosi@qnbfs.com.qa

Mehmet Aksoy, PhD
Senior Research Analyst
Tel: (+974) 4476 6589
mehmet.aksoy@qnbfs.com.qa

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
PO Box 24025
Doha, Qatar