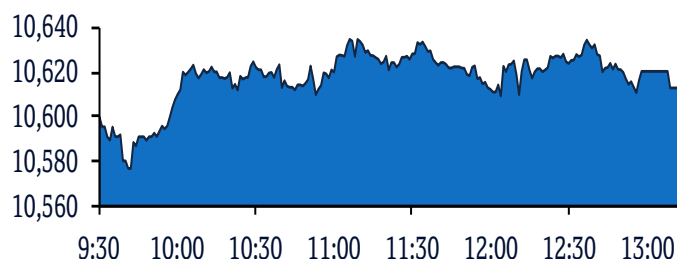


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.1% to close at 10,613.5. Gains were led by the Consumer Goods & Services and Banks & Financial Services indices, gaining 0.5% and 0.4%, respectively. Top gainers were Medicare Group and Qatar National Cement Co., rising 6.8% and 1.9%, respectively. Among the top losers, Qatar General Insurance & Reins. Co. fell 4.7%, while Qatar Cinema & Film Distribution Co. was down 3.6%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained marginally to close at 9,075.6. Gains were led by the Utilities and Telecom. Services indices, rising 1.4% and 0.9%, respectively. Saudi Industrial Export rose 6.7%, while Mobile Telecommunications was up 4.2%.

**Dubai:** The DFM Index fell 0.2% to close at 2,716.1. The Real Estate & Const. and Consumer Staples and Discretionary indices declined 0.8% each. International Financial Advisors declined 9.1%, while Ektitab Holding Co. was down 7.2%.

**Abu Dhabi:** The ADX General Index gained 0.1% to close at 5,080.7. The Consumer Staples and Investment & Financial Services indices rose 0.5% each. National Bank of Fujairah rose 10.9%, while Al Qudra Holding was up 6.7%.

**Kuwait:** The Kuwait All Share Index gained 0.2% to close at 6,136.9. The Consumer Goods index rose 1.1%, while the Basic Materials index gained 0.9%. International Resorts Co. rose 16.0%, while Taameer Real Estate Investment Co. was up 15.6%.

**Oman:** The MSM 30 Index fell 0.3% to close at 3,748.0. The Financial index declined 0.5%, while the other indices ended in green. Al Anwar Holding fell 4.0%, while Bank Nizwa was down 2.3%.

**Bahrain:** The BHB Index gained 0.2% to close at 1,538.7. The Services and Commercial Banks indices rose 0.3% each. Esterad Investment Company rose 6.1%, while Zain Bahrain was up 5.8%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Medicare Group	8.34	6.8	1,509.4	32.2
Qatar National Cement Company	6.36	1.9	151.9	6.9
The Commercial Bank	4.92	1.9	1,177.0	24.9
Doha Bank	2.71	1.1	5,481.1	22.1
Qatar Electricity & Water Co.	16.66	1.0	121.4	(9.9)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Doha Bank	2.71	1.1	5,481.1	22.1
Ezdan Holding Group	0.72	(0.1)	3,877.5	(44.6)
Qatar Aluminium Manufacturing	1.00	(0.1)	2,754.1	(25.4)
Qatar First Bank	0.41	(0.2)	2,686.0	(0.7)
QNB Group	19.33	0.4	2,379.2	(0.9)

Market Indicators	17 July 19	16 July 19	%Chg.
Value Traded (QR mn)	172.9	166.5	3.8
Exch. Market Cap. (QR mn)	582,326.4	581,624.7	0.1
Volume (mn)	42.2	45.9	(8.1)
Number of Transactions	3,952	4,247	(6.9)
Companies Traded	43	43	0.0
Market Breadth	16:20	14:25	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,529.79	0.1	0.0	7.6	15.1
All Share Index	3,132.69	0.1	(0.1)	1.7	15.0
Banks	4,124.53	0.4	0.6	7.7	14.5
Industrials	3,200.70	(0.1)	(1.1)	(0.4)	16.1
Transportation	2,589.31	(0.6)	1.7	25.7	15.9
Real Estate	1,555.66	(0.1)	(1.0)	(28.9)	13.0
Insurance	3,181.09	(1.6)	(0.6)	5.7	18.4
Telecoms	948.41	0.2	0.3	(4.0)	19.5
Consumer	8,164.02	0.5	(1.5)	20.9	15.8
Al Rayan Islamic Index	4,078.77	(0.0)	(0.4)	5.0	13.9

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Rabigh Ref. & Petrochem.	Saudi Arabia	21.80	2.9	2,548.8	14.3
Qurain Petrochemical Ind.	Kuwait	0.36	2.0	300.2	(1.1)
The Commercial Bank	Qatar	4.92	1.9	1,177.0	24.9
Emaar Economic City	Saudi Arabia	10.94	1.9	4,457.7	38.3
Saudi Arabian Mining Co.	Saudi Arabia	49.50	1.9	1,153.4	0.4

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Bank Nizwa	Oman	0.08	(2.3)	104.5	(7.7)
Riyad Bank	Saudi Arabia	27.95	(1.9)	4,953.6	41.0
Qatar Insurance Co.	Qatar	3.63	(1.9)	75.5	1.1
Aldar Properties	Abu Dhabi	2.08	(1.4)	2,365.9	30.0
National Bank of Oman	Oman	0.16	(1.3)	210.0	(14.3)

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 General Ins. & Reins. Co.	3.62	(4.7)	125.2	(19.3)
Qatar Cinema & Film Distribution	2.12	(3.6)	1.1	11.5
Gulf Warehousing Company	4.91	(2.2)	1,101.1	27.6
Qatar Insurance Company	3.63	(1.9)	75.5	1.1
Qatari Investors Group	2.36	(1.3)	92.4	(15.1)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.33	0.4	45,833.9	(0.9)
Industries Qatar	11.20	(0.9)	15,894.7	(16.2)
Doha Bank	2.71	1.1	15,076.5	22.1
Medicare Group	8.34	6.8	12,337.9	32.2
Qatar International Islamic Bank	7.70	0.4	11,572.8	16.5

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*	10,613.53	0.1	0.0	1.5	3.1	47.28	159,965.1	15.1	1.7	4.1
Dubai	2,716.09	(0.2)	1.1	2.2	7.4	41.79	97,113.1	11.1	1.0	4.5
Abu Dhabi	5,080.74	0.1	0.6	2.0	3.4	19.83	141,111.5	15.0	1.5	4.9
Saudi Arabia	9,075.55	0.0	1.2	2.9	16.0	998.51	571,524.7	20.2	2.0	3.3
Kuwait	6,136.88	0.2	0.2	5.2	20.8	113.27	114,566.0	15.3	1.5	3.4
Oman	3,748.03	(0.3)	(1.6)	(3.5)	(13.3)	2.49	16,591.3	7.2	0.8	7.3
Bahrain	1,538.71	0.2	0.1	4.6	15.1	2.97	24,060.3	11.1	1.0	4.9

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

## Qatar Market Commentary

- The QE Index rose 0.1% to close at 10,613.5. The Consumer Goods & Services and Banks & Financial Services indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Medicare Group and Qatar National Cement Company were the top gainers, rising 6.8% and 1.9%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 4.7%, while Qatar Cinema & Film Distribution Company was down 3.6%.
- Volume of shares traded on Wednesday fell by 8.1% to 42.2mn from 45.9mn on Tuesday. Further, as compared to the 30-day moving average of 86.2mn, volume for the day was 51.0% lower. Doha Bank and Ezdan Holding Group were the most active stocks, contributing 13.0% and 9.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	28.05%	40.00%	(20,653,454.61)
Qatari Institutions	34.76%	28.32%	11,121,714.25
<b>Qatari</b>	<b>62.81%</b>	<b>68.32%</b>	<b>(9,531,740.36)</b>
GCC Individuals	2.03%	0.79%	2,146,914.41
GCC Institutions	2.16%	9.73%	(13,088,512.05)
<b>GCC</b>	<b>4.19%</b>	<b>10.52%</b>	<b>(10,941,597.64)</b>
Non-Qatari Individuals	10.87%	10.54%	574,376.59
Non-Qatari Institutions	22.13%	10.62%	19,898,961.41
<b>Non-Qatari</b>	<b>33.00%</b>	<b>21.16%</b>	<b>20,473,338.00</b>

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

## Earnings Releases, Global Economic Data and Earnings Calendar

### Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2019	% Change YoY	Operating Profit (mn) 2Q2019	% Change YoY	Net Profit (mn) 2Q2019	% Change YoY
Aldrees Petroleum and Transport Services Co.*	Saudi Arabia	SR	1,326.5	2.8%	33.0	-8.8%	17.3	14.6%
Arriyadh Development Co.	Saudi Arabia	SR	64.3	-13.5%	44.5	-16.0%	50.0	-5.8%
Esterad Investment Company	Bahrain	BHD	0.6	4,057.4%	-	-	0.3	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (\*Figures for 6M2019)

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/17	US	Mortgage Bankers Association	MBA Mortgage Applications	12-July	-1.1%	-	-2.4%
07/17	UK	UK Office for National Statistics	CPI MoM	June	0.0%	0.0%	0.3%
07/17	UK	UK Office for National Statistics	CPI YoY	June	2.0%	2.0%	2.0%
07/17	UK	UK Office for National Statistics	CPI Core YoY	June	1.8%	1.8%	1.7%

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 2Q2019 results	No. of days remaining	Status
ERES	Ezdan Holding Group	18-Jul-19	0	Due
NLCS	Aljjarah Holding	18-Jul-19	0	Due
QEWS	Qatar Electricity & Water Company	21-Jul-19	3	Due
GWCS	Gulf Warehousing Company	21-Jul-19	3	Due
QIGD	Qatari Investors Group	22-Jul-19	4	Due
KCBK	Al Khalij Commercial Bank	23-Jul-19	5	Due
MCGS	Medicare Group	24-Jul-19	6	Due
UDCD	United Development Company	24-Jul-19	6	Due
QGRI	Qatar General Insurance & Reinsurance Company	24-Jul-19	6	Due
DHBK	Doha Bank	24-Jul-19	6	Due
QAMC	Qatar Aluminum Manufacturing Company	25-Jul-19	7	Due
AKHI	Al Khaleej Takaful Insurance Company	25-Jul-19	7	Due
QIMD	Qatar Industrial Manufacturing Company	25-Jul-19	7	Due
QFBQ	Qatar First Bank	28-Jul-19	10	Due
QCFS	Qatar Cinema & Film Distribution Company	29-Jul-19	11	Due
QNNS	Qatar Navigation (Milaha)	29-Jul-19	11	Due
VFQS	Vodafone Qatar	29-Jul-19	11	Due
ORDS	Ooredoo	29-Jul-19	11	Due
QATI	Qatar Insurance Company	30-Jul-19	12	Due
AHCS	Aamal Company	30-Jul-19	12	Due
DBIS	Dlala Brokerage & Investment Holding Company	30-Jul-19	12	Due
MRDS	Mazaya Qatar Real Estate Development	31-Jul-19	13	Due

Tickers	Company Name	Date of reporting 2Q2019 results	No. of days remaining	Status
DOHI	Doha Insurance Group	31-Jul-19	13	Due
QNCD	Qatar National Cement Company	1-Aug-19	14	Due
IQCD	Industries Qatar	1-Aug-19	14	Due
GISS	Gulf International Services	4-Aug-19	17	Due
QISI	Qatar Islamic Insurance Company	4-Aug-19	17	Due
SIIS	Salam International Investment Limited	5-Aug-19	18	Due
MPHC	Mesaieed Petrochemical Holding Company	5-Aug-19	18	Due
ZHCD	Zad Holding Company	5-Aug-19	18	Due
QOIS	Qatar Oman Investment Company	5-Aug-19	18	Due
MERS	Al Meera Consumer Goods Company	6-Aug-19	19	Due

Source: QSE

## News

### Qatar

- QIBK's bottom line rises 5.7% YoY and 8.0% QoQ in 2Q2019, in-line with our estimate** – Qatar Islamic Bank's (QIBK) net profit rose 5.7% YoY (+8.0% QoQ) to QR740.1mn in 2Q2019, in line with our estimate of QR740.1mn (variation of -0.01%). Total net income from financing and investing activities increased 11.0% YoY and 1.9% QoQ in 2Q2019 to QR1,706.8mn. The company's total income came in at QR1,885.3mn in 2Q2019, which represents an increase of 8.9% YoY (+1.9% QoQ). EPS amounted to QR0.31 in 2Q2019 as compared to QR0.30 in 2Q2018. The bank's total assets stood at QR154.6bn at the end of June 30, 2019, up 1.4% YoY. However, on QoQ basis the bank's total assets decreased 0.5%. Financing assets were QR107.0bn, registering a rise of 6.7% YoY (+0.6% QoQ) at the end of June 30, 2019. Customers' current accounts declined 12.5% YoY to reach QR16.0bn at the end of June 30, 2019. However, on QoQ basis customers' current accounts rose 5.6%. In 1H2019, QIBK's net profit rose 7.5% YoY to QR1.42bn. Total income for the six months' period that ended on June 30 was QR3.73bn, which represents a 10.9% growth rate compared to QR3.36bn in the same period in 2018. Income from financing and investing activities has registered a strong growth of 13.6% to reach QR3.38bn at the end of the six months' period that ended in June compared to QR2.97bn for the same period in 2018, reflecting a healthy growth in the bank's core operating activities. Total staff and general administrative expenses amounted to QR544.8mn for the six months' period that ended in June with strict cost controls supporting higher operating revenues and enabled further enhancement of efficiency. This has brought down the cost to income ratio to 23.5% for the six month period that ended in June compared to 25.6% for the same period in 2018. QIBK was able to maintain the ratio of non-performing financing assets to total financing assets at 1.2% reflecting the quality of the bank's financing assets portfolio and its effective risk management framework. QIBK continues to pursue the conservative impairment provisioning policy keeping the coverage ratio for non-performing financing assets at 100% as of June 2019. Total shareholders' equity of the bank reached QR15.6bn, registering a growth of 8.1% compared to June 2018 and a growth of 1.3% compared to December 2018. Total capital adequacy of the bank (under Basel III guidelines) was 18.5% as of June 2019, higher than the minimum regulatory requirements prescribed by Qatar Central Bank and the Basel Committee. In June 2019, Fitch Ratings affirmed QIBK at 'A'. Also in June, Moody's affirmed the Long-

term deposit ratings of QIBK at 'A1'. In May this year, Capital Intelligence Ratings affirmed the bank's Long-term Currency Rating (LTCR) of 'A+'. In March 2019, Standard & Poor's affirmed the bank's credit rating at 'A-'. (QNB FS Research, QSE, Gulf-Times.com)

- ABQK's bottom line rises 2.6% YoY and 2.5% QoQ in 2Q2019, in-line with our estimate** – Ahli Bank's (ABQK) net profit rose 2.6% YoY (+2.5% QoQ) to QR181.8mn in 2Q2019, in line with our estimate of QR178.5mn (variation of +1.9%). Net Interest Income decreased 8.1% YoY and 3.9% QoQ in 2Q2019 to QR196.1mn. The company's total operating income came in at QR264.2mn in 2Q2019, which represents a decrease of 4.7% YoY. However, on QoQ basis Total operating income rose 0.7%. EPS amounted to QR0.079 in 2Q2019 as compared to QR0.077 in 2Q2018. The bank's total assets stood at QR41.9bn at the end of June 30, 2019, up 11.3% YoY (+4.6% QoQ). Loans and advances to customers were QR28.2bn, registering a fall by 0.7% YoY at the end of June 30, 2019. However, on QoQ basis loans and advances to customers increased 1.0%. Customer deposits rose 17.9% YoY and 12.1% QoQ to reach QR26.7bn at the end of June 30, 2019. In 1H2019, ABQK recorded net profit of QR359.3mn, which represents an increase of 1.7% over the same period in 2018. ABQK's Chairman and Managing Director Sheikh Faisal bin AbdulAziz bin Jassem Al Thani said, "We are pleased with our performance in the first half, particularly the momentum we saw in the overall business growth and deposit growth in particular. The bank is well capitalized and has a strong liquidity position. These results highlight the bank's ability to deliver long-term sustainable results for our shareholders. The bank continues to enjoy favorable ratings from the top international credit rating agencies." (QNB FS Research, Gulf-Times.com)
- QIIK posts ~6% YoY increase but ~8% QoQ decline in net profit in 2Q2019, in-line with our estimate** – Qatar International Islamic Bank's (QIIK) net profit rose ~6% YoY (but declined ~8% on QoQ basis) to ~QR245mn in 2Q2019, in line with our estimate of QR244.6mn. In 1H2019, QIIK has posted net profit of QR510.6mn, up 5.5% on the same period in 2018. EPS amounted to QR0.34 in 1H2019 as compared to QR0.32 in 1H2018. QIIK's CEO, Abdulbasit Ahmad Al-Shaibei said, "The bank's total revenues amounted to QR1.14bn in 1H2019 as compared to QR1.03bn for the same period of 2018, with a growth rate of 10.3%. QIIK's total assets stood at QR54.2bn in end-June compared to QR47.6bn in 1H2018, representing a growth rate of 13.9%. Financing assets grew by 13.1% to reach

QR31.4bn in 1H2019. Total deposits rose to QR33.3bn in 1H2019 in comparison with QR31.1bn in the same period last year, with a growth rate of 7%. Earnings per share reached QR0.34 and capital adequacy (Basel III) stood at 14.98%, which reflects QIIK's financial strength." The strategy focused on enhancing profitability and deepening partnerships and engagement in local projects, be it infrastructure or others. Thus we are able to continue contributing to the strengthening of the national economy and responding to competition in the local banking sector." The CEO added, "The bank continued its work in order to enhance the operational structure and ensure its compliance with the best international banking standards. We have systematically invested in the development of the technological infrastructure, enhanced the concepts of sustainability in our work and projects, and focused greatly on creativity, innovation and performance, which resulted in outstanding performance so far." QIIK's Chairman and Managing Director, Sheikh Khalid bin Thani bin Abdullah Al Thani said, "The Qatari economy enjoys strength and stability, possesses growth factors and sees promising opportunities, which helped place us in a strong position. We, at QIIK, have benefited clearly from these factors and achieved many of them, which led to considerable growth rates under various budget items. Once again this confirms QIIK's strong and established position in the country's banking sector and in the overall economy. QIIK has continued its policy of focusing on the local market, in order to contribute to the revitalization of the national economy and finance various projects that complement the development efforts and achieve the objectives of Qatar National Vision 2030. Any foreign investment decision taken by the bank will not affect this trend. We are focused on the local market, although we are satisfied with our partnerships abroad. Over the years, we have succeeded in building multi-dimensional partnerships in various countries. QIIB is very well set on the growth trajectory based on the strength of the Qatari economy." (QNB FS Research, QSE, Gulf-Times.com)

- QFLS posts ~10% YoY increase but ~32% QoQ decline in net profit in 2Q2019** – Qatar Fuel Company's (QFLS) net profit rose ~10% YoY (but declined ~32% on QoQ basis) to ~QR221mn in 2Q2019. In 1H2019, QFLS posted a 9% increase in net profit (excluding minority rights) to reach QR548mn as compared to QR503mn recorded in the same period last year. QFLS stated the jump in profit levels is attributable to the increase in sales, as well as the efforts to enhance the capability and efficiency of the group activities and business operations and to the reduction of general and administrative expenses. Earnings per share for the period amounted to QR0.55 per share, an 8% growth compared to QR0.51 for the same period in 2018. On projects, the number of QFLS-operated fuel stations totaled 85 stations compared to 58 stations in 1H2018. Additionally, QFLS has signed new contracts to build 29 petrol stations in 1H2019, taking the number of stations to 114 stations by the end of the year. This will result into the doubling the number of operating stations. The construction of new petrol stations contributed to the increase of QFLS' share of petroleum products retail distribution market to 80% at the end of 1H2019, compared to 62% for the corresponding period in 2018. On the group's operations, the group achieved a 2% overall growth in total

sales volumes during the period, compared to the same period last year, comprising Jet A1 sales increase by 7%, Bitumen (2%), LPG (3%), natural gas and compressed natural gas (58%), and heavy fuel oil (62%). The growth is attributable to market factors and the efficiency and promptness of the supply chain. However, diesel sales volumes declined by 8%. Retail sales volumes of petroleum products achieved an overall increase of 29%, wherein diesel increased by 11%, Super Gasoline (47%), and Premium Gasoline (29%), while other retail sales revenue, including Sidra stores, grew by 13%. (QSE, Gulf-Times.com)

- QNCD to disclose 2Q2019 financial statements on August 01** – Qatar National Cement Company (QNCD) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 01, 2019. (QSE)
- PSA: Qatar's industrial production index rises 4.5% in May** – Qatar's industrial production index (IPI) has reached 106.2 points in May 2019, an increase by 4.5% compared to the previous month of 2019, but a decrease by 0.6%, when compared to the corresponding month of 2018. This was revealed in the official data released by the Planning and Statistics Authority (PSA). The report stated the index examines the economic output of the country by detailing the growth of various industrial sectors in economy such as mining, manufacturing, production of electricity and water production, and desalination. The index is a short-term quantitative measure of changes in the volume of productions of a selected basket of industrial products. Mining increased by 5.6% compared to the previous month. This was due to the increase in the quantities of 'crude oil and natural gas' by 5.6%, while 'other mining and quarrying' showed a decrease by 3%. On an annual basis, the IPI of mining decreased by 0.2%. Manufacturing showed a decline of 1.1% on a monthly basis. The groups showing decreases include: 'manufacture of food products' by 4.2%, 'manufacture of cement and other non-metallic mineral products' by 4.1%, 'manufacture of chemicals and chemical products' by 2.2%, 'manufacture of rubber and plastics products' by 0.2%. (Qatar Tribune)
- ValuStrat: Total 26,890 hotel rooms across 129 properties in Qatar** – A total number of 26,890 hotel rooms were available across 129 properties in Qatar, according to consulting and research firm ValuStrat. There were no additions during the second quarter according to ValuStrat stated in a report. Until May, visitor arrivals reached 922,132, up by 11% compared to the same period last year. Hotel operators continue to reduce room rates to attract more guests. Average Daily Rate (ADR) across all star categories on average declined 6% YoY for the first five months of 2019, a result of which led to hotel occupancy increasing to 66% from 60% last year, ValuStrat stated. Qatar's organized retail stock reached 1.81mn square meters Gross leasable area (GLA) as of 2Q2019, owing to new additions of neighborhood retail centers in Lusail. Galeries Lafayette (4,350 square meters GLA) announced a soft opening of its flagship store within Katara Cultural Village. "Amid competition from newly opened super regional malls, relatively older shopping centers have reduced asking rents by an estimated 5% YoY in order to maintain occupancy. Median monthly asking rent among street retail units in Doha stood at QR195 per square meters and outside Doha at QR180 per square



meters,” ValuStrat stated. Average asking rents for temperature-controlled warehouses intended for food and chemical storage fell by 3% QoQ and 11% YoY, ValuStrat noted. (Gulf-Times.com)

- **ValuStrat: Qatar’s freehold ownership law may lead to long-term real estate investments by expats** – Government initiatives such as the introduction of freehold ownership law could lead to more long-term real estate investments by expatriates in Qatar, ValuStrat has stated in its latest report. Residential supply reached 294,700 units as of the second quarter of 2019 with the delivery of 1,700 apartments and villas in The Pearl, Lusail, Fereej Bin Mahmoud, Old Ghanim, Fereej Abdul Aziz, Musheireb, Al Dafna, Al Kheesa, Al Wajba and Umm Salal Ali. Projected completion for the remaining quarters of 2019 has been adjusted to 9,000 units, 70% of which is planned for Lusail and The Pearl. (Qatar Tribune)

- **IGRD to disclose 2Q2019 financial statements on August 04** – Investment Holding Group (IGRD) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 04, 2019. (QSE)

#### **International**

- **MBA: US mortgage applications drop in latest week** – The US mortgage applications decreased last week, led by a drop in loan requests to buy a home, as some home borrowing costs climbed to their highest level in a month, the Mortgage Bankers Association (MBA) stated. The Washington-based group’s seasonally adjusted index on loan requests, both to buy a home and refinance one, fell 1.1% to 500.2 from 505.8 in the week ended July 12. The group’s barometer on loan applications for home purchases, which is seen as a proxy on future housing activity, decreased 3.8% to 265.1. The Commerce Department said that housing starts decreased 0.9% to a seasonally adjusted annual rate of 1.253 million units last month as a rebound in the construction of single-family housing units was offset by a plunge in multi-family homebuilding. Most fixed-mortgage rates MBA tracks were increased by as much as 8 basis points from the week before. (Reuters)

- **London house prices fall at fastest rate in a decade** – House prices in London fell at the fastest pace in almost 10 years in May, according to official data that also showed inflation hitting the Bank of England’s 2% target for a second month running in June. House prices in London - which have been hit by worries about Brexit and its impact on the city’s attractiveness as a global finance centre - slid by 4.4% in annual terms, the Office for National Statistics (ONS) said. That marked the biggest fall since August 2009. Reflecting the weakness in the property market since the Brexit referendum more than three years ago, house price growth across the UK as a whole slowed to 1.2%, matching February’s six-year low. Some other surveys have suggested that the market might be borrowing out and analysts said London’s dip was not likely to be followed by the rest of the country. (Reuters)

- **UK marketing spending growth flat, uncertainty reigns** – British companies made no change to their marketing spending in the second quarter this year compared to the previous quarter, as a leadership change in Britain and continued ambiguity over Brexit made clients hesitant and delayed decision making, a survey showed. The IPA Bellwether survey,

conducted by IHS Markit, was based on a questionnaire of around 300 UK-based companies, and showed there will likely only be a modest 1.1% annual increase in ad spends over the year. Businesses are wary of headwinds from external sources, especially spillover effects from trade disputes and weaker growth at key export destinations, the survey said. (Reuters)

- **Bank of England expects balance sheet to halve when QE reversed** – The Bank of England’s (BoE) balance sheet is likely to roughly halve to around 275-375bn Pounds when the time comes to reverse quantitative easing, a senior official said. It currently exceeds 600bn Pounds, having ballooned after the financial crisis as the BoE bought hundreds of billions of pounds of British government bonds to boost the economy. Previously, the BoE said it expected its balance sheet to shrink when it ultimately reverses quantitative easing, but not to return to pre-crisis levels due to a long-term increase in commercial lenders’ demand to hold reserves at the central bank. On Wednesday Andrew Hauser, the BoE’s executive director for markets, gave a specific estimate, and explained how the BoE intends to reduce any side-effects of gilt sales on banks’ day-to-day cash management. Currently, as a side-effect of QE, financial institutions hold far higher reserves at the BoE than they would normally need to facilitate interbank payments and meet short-term liquidity needs. Based on conversations with firms, Hauser said the financial system probably only needs to hold 150-250bn Pounds of reserves - roughly a third to half the current level. Adding other liabilities such as banknotes in circulation, this would suggest the BoE’s balance sheet should be 275-375bn Pounds - equivalent to 12%-18% of annual economic output - after quantitative easing has been reversed, he said. (Reuters)

- **Reuters poll: ECB to cut rates in September** – The European Central Bank (ECB) will cut its deposit rate in September after signaling a bias to do so this month, according to economists in a Reuters poll who do not expect a turnaround in the Eurozone’s economic fortunes any time soon. Major central banks on both sides of the Atlantic are under pressure to ease monetary policy to keep inflation expectations from collapsing amid slowing global growth, increased trade protectionism and weak economic data. When asked what the ECB was likely to do at its July meeting, two-thirds of economists said the central bank would change its forward guidance towards easing. With inflation well below the central bank’s target and not predicted to pick up soon, the ECB is expected to cut its deposit rate by 10 basis points to an all-time low of -0.50% in September. (Reuters)

- **Sliding Japan exports, manufacturing gloom heighten economic risks** – Japan’s exports fell yet again in June, while manufacturers’ confidence crumbled to a three-year low this month as a Sino-US tariff row, slowing China growth and rising trade protectionism heaped pressure on the world’s third-biggest economy. Weak exports have weighed on Japan’s factory output, threatening to undermine capital expenditure and denting policymakers’ hopes that domestic demand will help offset intensifying external strains. Exports in June fell 6.7% from a year earlier, the seventh straight month of declines, Ministry of Finance data showed, dragged down by slowing sales of tankers, China-bound car parts and steel pipes.

That compared with a 5.6% drop expected by economists and a 7.8% fall in May. Separately, the Reuters Tankan survey showed Japanese manufacturers' business confidence hit a three-year low in July, dragged down by steel/nonferrous metals and precision machinery, highlighting the fragility of the export-led economy. The batch of gloomy data underscored bets among some analysts that the central bank will roll out more stimulus at its policy review later in the month. A Reuters poll of economists showed expectations have risen sharply that the Bank of Japan's next policy move will be to ease further. (Reuters)

- **Reuters Tankan: Japan manufacturers' mood hits three-year low** – Japanese manufacturers' business confidence hit a three-year low in July, highlighting the fragility of the export-led economy as external demand slackens in the face of cooling global growth and trade friction, the Reuters Tankan showed. In another worrisome sign, sentiment in the service sector improved this month but is forecast to tumble three months ahead. The Reuters Tankan aligned with the Bank of Japan's closely watched quarterly tankan business survey out earlier this month, which showed big manufacturers' business confidence, fell to a nearly three-year low in the quarter to June. Both the Reuters and Bank of Japan (BoJ) surveys underscore expectations among some analysts of a possible ramping up of the central bank's stimulus at its policy review later in the month. BoJ officials have said they remain ready to ease further if economic conditions worsen, joining the US Federal Reserve in signaling additional monetary stimulus amid deteriorating global conditions. (Reuters)

#### Regional

- **Saipem signs deal to develop and build floating wind in Saudi Arabia** – Saipem has signed a deal to develop and build a 500-megawatt floating offshore wind farm in Saudi Arabia. The memorandum of understanding (MoU) with Abu Dhabi-based Plambeck Emirates will see the Italian oil services company engineer, design, construct and install the project, Saipem stated. The company previously worked on the Hywind Scotland wind farm, the first floating wind project in the world. Saipem did not provide details of the project's schedule and expected cost. Saudi Arabia has pledged to install 7 gigawatts of wind capacity within five years and 16 gigawatts by 2030. (Bloomberg)
- **EMIRATES posts 80.1% YoY rise in net profit to AED4,738.2mn in 2Q2019** – Emirates NBD Bank (EMIRATES) recorded net profit of AED4,738.2mn in 2Q2019, an increase of 80.1% YoY. Net interest income rose 6.4% YoY to AED2,928.0mn in 2Q2019. Total operating income rose 10.6% YoY to AED4,810.3mn in 2Q2019. Total assets stood at AED537.8bn at the end of June 30, 2019 as compared to AED500.3bn at the end of December 31, 2018. Loans and receivables stood at AED286.8bn (+3.2% YoY), while customers' deposits stood at AED304.7bn (+4.7% YoY) at the end of June 30, 2019. EPS came in at AED0.82 in 2Q2019 as compared to AED0.45 in 2Q2018. The 80.1% rise in net profit is from the sale of a stake in the bank's card payments processing unit. The lender made AED2.1bn from the Initial Public Offering (IPO) of Network International Holdings in London. (DFM, Bloomberg)

- **Emirates NBD allowed opening 20 more branches in Saudi Arabia** – Emirates NBD has received permission from Saudi Arabia to open 20 more branches in the country, the bank stated, as Dubai's biggest bank eyes expansion in the Arab world's biggest economy. Currently Emirates NBD has four branches in Saudi Arabia - two in Riyadh, one in Jeddah and one in the eastern province of Khobar. "Emirates NBD is honored to have been given permission to open twenty more branches in the Kingdom of Saudi Arabia," the bank's Vice Chairman, Hesham Abdulla Al Qassim said. The lender's bigger UAE rival First Abu Dhabi Bank also launched commercial banking operations in Saudi Arabia this year. (Reuters)
- **EIB's net profit falls 5.3% YoY to AED261.9mn in 2Q2019** – Emirates Islamic Bank (EIB) recorded net profit of AED261.9mn in 2Q2019, registering decrease of 5.3% YoY. Net income from financing and investment products rose 11.9% YoY to AED467.6mn in 2Q2019. Total operating income rose 7.1% YoY to AED671.8mn in 2Q2019. Total assets stood at AED61.1bn at the end of June 30, 2019 as compared to AED58.4bn at the end of December 31, 2018. Financing receivables stood at AED36.6bn (+1.2% YoY), while customers' deposits stood at AED43.8bn (+5.3% YoY) at the end of June 30, 2019. EPS came in at AED0.048 in 2Q2019 as compared to AED0.051 in 2Q2018. (DFM)
- **DIB posts 13.7% YoY rise in net profit to AED1,397.7mn in 2Q2019** – Dubai Islamic Bank (DIB) recorded net profit of AED1,397.7mn in 2Q2019, an increase of 13.7% YoY. Net income rose 15.8% YoY to AED2,392.3mn in 2Q2019. Total assets stood at AED228.2bn at the end of June 30, 2019 as compared to AED223.7bn at the end of December 31, 2018. Islamic financing and investing assets (net) stood at AED150.2bn (+3.8% YoY), while customers' deposits stood at AED156.9bn (+0.8% YoY) at the end of June 30, 2019. EPS remained unchanged from 2Q2018 at AED0.21 in 2Q2019. (DFM)
- **CBD posts 28.5% YoY rise in net profit to AED361.1mn in 2Q2019** – Commercial Bank of Dubai (CBD) recorded net profit of AED361.1mn in 2Q2019, an increase of 28.5% YoY. Net interest income and net income from Islamic financing rose 5.6% YoY to AED507.3mn in 2Q2019. Total assets stood at AED78.4bn at the end of June 30, 2019 as compared to AED74.1bn at the end of December 31, 2018. Loans and advances and Islamic financing (net) stood at AED54.8bn (+7.6% YoY), while customers' deposits and Islamic customer deposits stood at AED55.3bn (+3.9% YoY) at the end of June 30, 2019. EPS came in at AED0.13 in 2Q2019 as compared to AED0.10 in 2Q2018. (DFM)
- **Dubai Multi Commodities Centre to allow companies in the free zone to operate onshore** – The Dubai Multi Commodities Centre will offer companies based in the free zone a dual license that allows them to also operate onshore. The agreement was signed with the Department of Economic Development, the DMCC stated. The free zone is home to about 15,000 companies and contributes over 10% to Dubai's GDP. (Bloomberg)
- **FAB's second quarter profit up 5%** – First Abu Dhabi Bank (FAB) reported a 5% rise in second-quarter net profit, boosted by higher non-interest income. The results added to signs that top banks in the UAE are managing to withstand strains from a

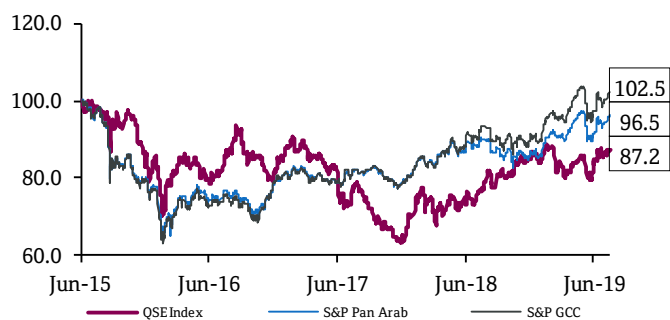
sluggish economy and a property downturn in Dubai. FAB made a net profit of AED3.2bn in the three months ending June 30, compared to AED3.06bn in the prior-year period, it stated. It stated that it expects mid-single digit profit growth and high-single digit growth in loans for 2019. Non-interest income - comprising fees & commission and foreign exchange income - in the second quarter grew 9% to AED1.85bn, while net interest income was up 2% to AED3.3bn. Loans and advances grew to AED366bn as of June 30 from AED353bn as of December 31, 2018. Deposits totaled AED462bn as of June 30 as compared to AED465bn as of December 31, 2018. (Reuters)

- **Fitch affirms Abu Dhabi's Mamoura at 'AA', outlook 'Stable'** – Fitch Ratings has affirmed Mamoura Diversified Global Holding (Mamoura, formerly MDC) Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'AA' with a 'Stable' outlook. Fitch has also assigned Mamoura a Long-Term Local-Currency IDR of 'AA' with a 'Stable' outlook. Fitch classifies Mamoura, which since 2017 has formed part of the combined Mubadala Investment Company (Mubadala) group, as a government-related entity (GRE) of Abu Dhabi ('AA'/'Stable'/'F1+') under its GRE rating criteria and believes that extraordinary support from Abu Dhabi would be forthcoming, in case of need. We deem the strength of linkage with the government of Abu Dhabi and the incentive for the government of Abu Dhabi to provide extraordinary support to MIC, in case of need, and eventually to Mamoura, as warranting a high score of 55. This leads to an equalization of Mamoura's IDRs with Abu Dhabi's. (Bloomberg)
- **First Abu Dhabi Bank proposes removing foreign ownership cap** – First Abu Dhabi Bank proposed removing a cap on the foreign ownership limit in its shares after the UAE started loosening rules to attract international investors. The board's proposal is subject to the supervision of regulatory authorities and would require amendments to the current laws and policies, the nation's biggest bank stated. The move has the potential that other public companies in the UAE may apply similar measures, the bank stated. "This is positive news for the UAE banks as it may allow international banks to take strategic stakes in local lenders, especially for the mid to small sized lenders that are underperforming. This is likely to bring new skills, speed up digital transformation with knowledge sharing and international investments," a Financial Analyst with Bloomberg Intelligence, Edmond Christou said. First Abu Dhabi Bank's shareholders in February approved raising its foreign ownership limit to 40% from 25%. (Bloomberg)
- **Kuwait Finance House's 2Q2019 net profit up 9.4% YoY** – Kuwait Finance House (KFH), the country's biggest Islamic lender, posted a 9.4% annual rise in net profit in the second quarter of this year, the bank stated. Net profit attributable to shareholders in the second quarter amounted to KD56.1mn, though net operating profit decreased by 2.3% to KD122.6mn. In the first half of this year, net profit rose 13.1% on an annual basis, mainly because of an increase in total operating income and lower operating expenses, KFH stated. The bank is taking over Bahrain's Ahli United Bank in the first major cross-border bank merger deal in the Gulf region in recent years. The deal, formalized in January, is expected to boost consolidated profit by more than 90% from the level in 2018, KFH stated. The

transaction will create the largest banking entity in Kuwait, with assets of about \$94bn. (Reuters)

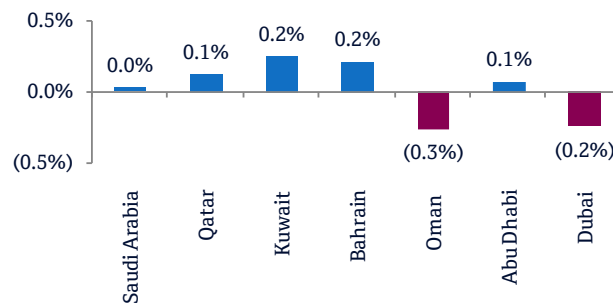
- **Bahrain sells BHD300mn 2022 bonds** – Bahrain sold BHD300mn of bonds due on July 21, 2022. The bonds will settle on July 21, 2019. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,426.63	1.4	0.8	11.2
Silver/Ounce	15.97	2.6	4.8	3.0
Crude Oil (Brent)/Barrel (FM Future)	63.66	(1.1)	(4.6)	18.3
Crude Oil (WTI)/Barrel (FM Future)	56.78	(1.5)	(5.7)	25.0
Natural Gas (Henry Hub)/MMBtu <sup>#</sup>	2.42	0.0	(4.7)	(24.1)
LPG Propane (Arab Gulf)/Ton <sup>#</sup>	49.75	0.0	(1.0)	(21.7)
LPG Butane (Arab Gulf)/Ton <sup>#</sup>	50.50	0.0	3.8	(27.9)
Euro	1.12	0.1	(0.4)	(2.1)
Yen	107.95	(0.3)	0.0	(1.6)
GBP	1.24	0.2	(1.1)	(2.5)
CHF	1.01	0.0	(0.3)	(0.6)
AUD	0.70	(0.0)	(0.1)	(0.6)
USD Index	97.22	(0.2)	0.4	1.1
RUB	62.94	(0.1)	(0.0)	(9.7)
BRL	0.27	0.1	(0.7)	3.1

Source: Bloomberg (<sup>#</sup>Market was closed on July 17, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,197.94	(0.5)	(0.7)	16.7
DJ Industrial	27,219.85	(0.4)	(0.4)	16.7
S&P 500	2,984.42	(0.7)	(1.0)	19.1
NASDAQ 100	8,185.21	(0.5)	(0.7)	23.4
STOXX 600	387.66	(0.3)	(0.2)	12.5
DAX	12,341.03	(0.6)	(0.2)	14.7
FTSE 100	7,535.46	(0.3)	(0.5)	9.4
CAC 40	5,571.71	(0.7)	(0.4)	15.4
Nikkei	21,469.18	(0.1)	(1.1)	9.6
MSCI EM	1,054.90	(0.5)	0.4	9.2
SHANGHAI SE Composite	2,931.69	(0.2)	0.1	17.6
HANG SENG	28,593.17	(0.0)	0.6	10.9
BSE SENSEX	39,215.64	0.0	0.8	10.1
Bovespa	103,855.50	0.0	(0.7)	21.7
RTS	1,361.58	(1.5)	(1.9)	27.4

Source: Bloomberg (\*\$ adjusted returns)

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