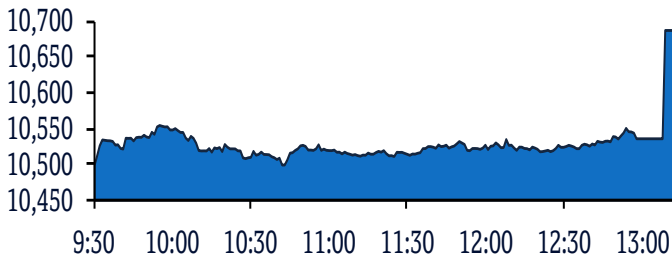


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 1.7% to close at 10,688.7. Gains were led by the Banks & Financial Services and Transportation indices, gaining 2.2% each. Top gainers were Doha Bank and QNB Group, rising 3.6% and 3.5%, respectively. Among the top losers, Qatari German Company for Medical Devices fell 2.0%, while Vodafone Qatar was down 1.9%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.7% to close at 8,869.7. Losses were led by the Software & Services and Retailing indices, falling 3.7% and 1.5%, respectively. Saudi British Bank declined 5.5%, while Ash-Sharqiyah Development Company was down 4.1%.

Dubai: The DFM Index gained 0.7% to close at 2,658.9. The Services index rose 2.1%, while the Real Estate & Const. index gained 2.0%. Almadina for Finance and Investment Company rose 4.6%, while Takaful Emarat was up 3.9%.

Abu Dhabi: The ADX General Index gained 1.4% to close at 5,044.7. The Telecommunication index rose 2.8%, while the Real Estate index gained 2.1%. Arkan Building Materials rose 5.3%, while Emirates Telecom Group was up 2.8%.

Kuwait: The Kuwait Main Market Index fell marginally to close at 4,741.4. The Consumer Services index declined 1.9%, while the Telecommunications index fell 0.2%. IFA Hotels & Resorts Co. declined 21.4%, while Hilal Cement was down 9.8%.

Oman: The MSM 30 Index fell 0.4% to close at 3,928.3. Losses were led by the Services and Industrial indices, falling 0.5% and 0.3%, respectively. Ominvest fell 3.5%, while Ooredoo was down 2.9%.

Bahrain: The BHB Index gained 0.1% to close at 1,455.0. The Services and Industrial indices rose 0.5% each. Nass Corporation rose 5.3%, while BMMI was up 2.5%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Doha Bank	2.59	3.6	8,009.1	16.7
QNB Group	19.72	3.5	7,247.5	1.1
Gulf International Services	19.30	3.1	369.8	13.5
Ooredoo	66.89	3.0	291.3	(10.8)
Qatar Gas Transport Company Ltd.	22.69	2.4	783.4	26.5

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar International Islamic Bank	7.55	(1.8)	13,304.2	14.2
Qatar First Bank	0.41	(0.2)	11,198.7	0.7
Masraf Al Rayan	3.77	2.2	10,598.7	(9.5)
Doha Bank	2.59	3.6	8,009.1	16.7
QNB Group	19.72	3.5	7,247.5	1.1

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,688.67	1.7	1.6	4.0	3.8	177.78	162,092.0	15.0	1.6	4.1
Dubai	2,658.88	0.7	1.0	1.5	5.1	91.62	96,177.9	11.8	1.0	4.6
Abu Dhabi	5,044.72	1.4	1.6	0.8	2.6	336.34	140,368.9	15.0	1.5	4.9
Saudi Arabia	8,869.70	(0.7)	(0.8)	4.1	13.3	2,797.66	561,319.9	20.1	2.0	3.3
Kuwait	4,741.36	(0.0)	(1.3)	0.1	0.1	163.22	32,733.7	14.4	0.9	3.9
Oman	3,928.26	(0.4)	0.2	(0.1)	(9.1)	6.32	17,065.0	7.7	0.8	7.0
Bahrain	1,454.97	0.1	0.4	1.5	8.8	23.76	22,604.3	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)

Market Indicators	20 June 19	19 June 19	%Chg.
Value Traded (QR mn)	650.5	324.9	100.2
Exch. Market Cap. (QR mn)	590,069.0	578,608.6	2.0
Volume (mn)	75.2	56.1	34.0
Number of Transactions	7,735	7,731	0.1
Companies Traded	42	45	(6.7)
Market Breadth	24:16	31:10	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,668.06	1.7	1.6	8.4	15.0
All Share Index	3,159.32	1.7	2.0	2.6	15.0
Banks	4,164.52	2.2	3.5	8.7	14.5
Industrials	3,332.34	1.8	0.6	3.7	16.8
Transportation	2,502.44	2.2	2.5	21.5	13.4
Real Estate	1,532.80	(0.4)	(2.1)	(29.9)	12.8
Insurance	3,208.48	0.9	1.7	6.6	18.5
Telecoms	919.97	1.1	(0.0)	(6.9)	18.9
Consumer	8,215.89	1.2	2.1	21.7	16.1
Al Rayan Islamic Index	4,124.88	1.0	0.9	6.2	14.1

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Human Soft Holding Co.	Kuwait	3.25	5.7	832.9	(0.9)
QNB Group	Qatar	19.72	3.5	7,247.5	1.1
Emaar Properties	Dubai	4.48	3.2	22,619.2	8.5
Ooredoo	Qatar	66.89	3.0	291.3	(10.8)
Emirates Telecom. Group	Abu Dhabi	16.70	2.8	4,949.5	(1.6)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi British Bank	Saudi Arabia	39.30	(5.5)	2,974.3	20.4
Ominvest	Oman	0.33	(3.5)	16.1	(4.2)
Ooredoo Oman	Oman	0.47	(2.9)	1,029.9	(18.0)
Banque Saudi Fransi	Saudi Arabia	40.90	(2.7)	2,445.2	30.3
Co. for Cooperative Ins.	Saudi Arabia	71.80	(2.6)	578.7	19.1

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%
Qatari German Co for Med. Dev.	0.74	(2.0)	2,493.2	30.7
Vodafone Qatar	7.11	(1.9)	864.4	(9.0)
Qatar International Islamic Bank	7.55	(1.8)	13,304.2	14.2
Islamic Holding Group	2.30	(1.7)	276.2	5.3
Investment Holding Group	5.70	(1.6)	240.6	1,065.6

QSE Top Value Trades	Close*	1D%	Vol. '000	YTD%
QNB Group	19.72	3.5	142,248.1	1.1
Qatar International Islamic Bank	7.55	(1.8)	101,297.3	14.2
Industries Qatar	118.00	2.2	44,532.8	(11.7)
Qatar Islamic Bank	17.55	1.7	41,411.6	15.5
Masraf Al Rayan	3.77	2.2	39,815.4	(9.5)

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index rose 1.7% to close at 10,688.7. The Banks & Financial Services and Transportation 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.
- Doha Bank and QNB Group were the top gainers, rising 3.6% and 3.5%, respectively. Among the top losers, Qatari German Company for Medical Devices fell 2.0%, while Vodafone Qatar was down 1.9%.
- Volume of shares traded on Thursday rose by 34.0% to 75.2mn from 56.1mn on Wednesday. However, as compared to the 30-day moving average of 86.8mn, volume for the day was 13.4% lower. Qatar International Islamic Bank and Qatar First Bank were the most active stocks, contributing 17.7% and 14.9% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	13.45%	22.92%	(61,596,529.46)
Qatari Institutions	8.01%	20.27%	(79,743,827.77)
Qatari	21.46%	43.19%	(141,340,357.23)
GCC Individuals	0.41%	0.56%	(966,559.98)
GCC Institutions	0.98%	2.95%	(12,796,419.60)
GCC	1.39%	3.51%	(13,762,979.58)
Non-Qatari Individuals	4.28%	5.16%	(5,743,014.92)
Non-Qatari Institutions	72.88%	48.15%	160,846,351.73
Non-Qatari	77.16%	53.31%	155,103,336.81

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

Ratings and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Orient Insurance	AM Best	Dubai	LT-ICR	a	a+	↑	Stable	-

Source: News reports (* LT – Long Term, ICR – Issuer Credit Rating)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06/20	US	Department of Labor	Initial Jobless Claims	15-June	216k	220k	222k
06/20	US	Department of Labor	Continuing Claims	8-June	1,662k	1,680k	1,699k
06/21	US	Markit	Markit US Manufacturing PMI	June	50.1	50.5	50.5
06/21	US	Markit	Markit US Services PMI	June	50.7	51.0	50.9
06/21	US	Markit	Markit US Composite PMI	June	50.6	-	50.9
06/20	EU	European Commission	Consumer Confidence	June	-7.2	-6.5	-6.5
06/21	EU	Markit	Markit Eurozone Manufacturing PMI	June	47.8	48.0	47.7
06/21	EU	Markit	Markit Eurozone Services PMI	June	53.4	53.0	52.9
06/21	EU	Markit	Markit Eurozone Composite PMI	June	52.1	52.0	51.8
06/21	Germany	Markit	Markit/BME Germany Manufacturing PMI	June	45.4	44.6	44.3
06/21	Germany	Markit	Markit Germany Services PMI	June	55.6	55.2	55.4
06/21	Germany	Markit	Markit/BME Germany Composite PMI	June	52.6	52.5	52.6
06/21	France	Markit	Markit France Manufacturing PMI	June	52.0	50.8	50.6
06/21	France	Markit	Markit France Services PMI	June	53.1	51.6	51.5
06/21	France	Markit	Markit France Composite PMI	June	52.9	51.3	51.2
06/21	Japan	Ministry of Internal Affairs and Communications	Natl CPI YoY	May	0.7%	0.7%	0.9%
06/21	Japan	Markit	Markit Japan PMI Mfg	June	49.5	-	49.8

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	QIHK	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 share splits for QCFS** – Qatar Stock Exchange (QSE) announced that the split of shares for Qatar Cinema & Film Distribution Company (QCFS) has been executed, effective from June 23, 2019. The new number of QCFS' shares after the split is 62,807,950 and the adjusted closing price of QR1.98 per share. QSE also sets price limits, (i) Price up limit: QR2.17 and (ii) Price down limit: QR1.79. (QSE)
- **QSE executes share splits for SIIS** – Qatar Stock Exchange (QSE) announced that the split of shares for Salam International Investment Limited (SIIS) has been executed, effective from June 23, 2019. The new number of SIIS' shares after the split is 1,143,145,870 and the adjusted closing price of QR0.448 per share. QSE also sets price limits, (i) Price up limit: QR0.492 and (ii) Price down limit: QR0.404. (QSE)
- **QCSD amends the foreign ownership percentage of ZHCD to 49%** – Qatar Central Securities Depository (QCSD) has modified the foreigners' ownership limit of Zad Holding Company (ZHCD) to be 49% of the capital, which is equal to 70,506,957 shares. (QSE)
- **DHBK to disclose 2Q2019 financial statements on July 24** – Doha Bank (DHBK) announced its intent to disclose 2Q2019 financial statements for the period ended June 30, 2019, on July 24, 2019. (QSE)
- **Qatargas delivers largest single LNG cargo at Turkey's Marmara Terminal** – Qatargas announced the safe delivery of the largest single cargo of liquefied natural gas (LNG) to the Marmara LNG Terminal in Turkey. The super-chilled LNG was delivered on board the Q-Flex vessel 'Al Sheehaniya', which entered record books as the first ever Q-Flex vessel to call at the recently

expanded Marmara LNG Terminal. Qatargas' CEO, Sheikh Khalid bin Khalifa Al Thani said, "The recent expansion of Marmara LNG Terminal allows Qatargas to send the world's largest LNG vessels to yet another LNG terminal in Turkey. With 14 LNG trains and a total annual production capacity of 77mn tons, Qatargas is ideally positioned to meet increasing customer demand for reliable LNG, and capture the economies of scale afforded by Q-Flex and Q-Max LNG vessels." (Gulf-Times.com)

- **CEO: Aamal Company looks to grow organically, through new acquisitions** – Aamal Company, which is one of Qatar's largest, most diversified and fastest-growing companies, is looking to grow either organically or through new acquisitions as its vision is to be recognized as a leader and innovator in all the industry sectors in which it operates. Aamal Company's CEO and Managing Director, Sheikh Mohamed bin Faisal Al Thani said, "Our long-term vision is to be recognized as a leader and innovator within all of the industry sectors in which we operate and we continue to work towards this, generating further growth either organically or through new acquisitions." Aamal Company's success, he stressed, "has been based upon a strategy of identifying key growth opportunities, capitalizing on them through the wise deployment of capital and partnering with industry leaders who are experts in their respective fields. Aamal Company's diversified approach is a source of strength, providing stability and a platform to take full advantage of these opportunities as and when they arise." (Gulf-Times.com)
- **QTerminals hires HSBC to coordinate \$500mn loan** – Qatar's port operator QTerminals has hired HSBC to coordinate a \$500mn loan, Reuters reported, citing sources. (Bloomberg)

- **QCB: Qatari commercial banks' total assets grow 6% YoY to QR1.43tn at end-May** – Total assets of commercial banks in Qatar registered about 6% YoY increase to QR1.43tn at the end of May this year, according to the central bank figures. Of the total assets, about 67% was credit portfolio that amounted to QR955.73bn, which witnessed about 6% growth YoY in May 2019, according to the Qatar Central Bank (QCB). Much of the credit went to the private sector, which accounted for about 66% of the total, or QR633.26bn in May this year. The credit to the private sector grew more than 14% on a yearly basis. The higher growth in credit to the private sector shows the resiliency in the overall economy especially outside the hydrocarbons, even amidst the economic blockade, market sources said. The credit to the public sector stood at QR307.7bn, or about 32% of the total credit in May 2019. The credit to the public sector however witnessed more than 7% decline rear-on-year. Of the QR1.43tn assets, as much as QR1.2tn, or about 84%, was domestic assets and the remaining QR0.22tn, or 16%, was overseas in May 2018. The second largest component within the commercial banks' assets is securities portfolio, which stood at QR178.39bn, or about 13%, of the total in the review period. The securities portfolio had however seen more than 2% dip on a yearly basis. (Gulf-Times.com)
- **Sheikh Mohamed: Qatar's pace of development to continue well beyond 2022** – Qatar's pace of development will continue well beyond 2022, when the country proudly hosts the FIFA World Cup, according to Aamal Company's CEO and Managing Director, Sheikh Mohamed bin Faisal Al Thani. "We are excited to host the World Cup in 2022. As a country, Qatar will get a lot of exposure by hosting FIFA 2022. This exposure will benefit Qatar as we seek to maintain our pace of development. And for us here in Qatar, it is going to be much more promising even after the World Cup," Sheikh Mohamed said. He said creating and upgrading infrastructure were a continuous process. Qatar will see a lot of development in terms of infrastructure. (Gulf-Times.com)
- **CMC recommends enhanced infrastructure in rural areas** – The Ministry of Transport and Communications (MoTC) should introduce new types of roads with special standards and specifications to serve people in desert areas, farmlands and other rural places in the country, Central Municipal Council (CMC) has recommended. The council has asked the MoTC to take into consideration the rural environment where such roads could be constructed and accordingly prepare suitable designs to maintain the specific surroundings. At its meeting, the CMC observed that it wanted residents in desert areas and farms to have better connectivity with key roads in the country in order to make life easier for people there and as well as to encourage investments in such areas. The council also issued recommendations to the Ministry of Municipality and Environment (MME) stressing the need to enhance the relevant procedures in order to prohibit large groups of laborers from living in family residential areas. (Gulf-Times.com)
- **Change Readiness Index places Qatar among top states** – Qatar is among the top 20 countries in the world which are well-prepared to embrace change. The country has been ranked 12th out of the total 140 countries in the 2019 Change Readiness Index released by KPMG. Qatar's performance in the index

assumes significance as it has surpassed many major economies including US, Canada, Japan and Australia. At a time when the world is changing at a rapid pace, Change Readiness Index ranks 140 countries on how effectively they prepare for, and respond to, major change events. (Peninsula Qatar)

- **Al-Emadi: Qatar committed to increasing joint investments with Oman** – The Qatari-Omani Joint Committee concluded its 20th session during which areas of cooperation between the two countries were discussed. Minister of Finance HE Ali Shareef Al-Emadi reiterated Qatar's commitment to increasing joint investments with Oman in various fields including agriculture, transportation, tourism and other. The progress of several joint projects were discussed during the meeting, as well as new proposals to increase joint investments in agriculture, energy, communications, transport, tourism, banking and education. (Gulf-Times.com)
- **Qatar-India trade volume rises to over QR44bn** – Bilateral trade and economic relations between India and Qatar is expect to see major growth in the coming years as both the countries are working very closely and aggressively to further expand and deepen the level of cooperation in several areas. India is already one of the leading trade partners of Qatar, and the bilateral trade volume has been witnessing sharp and steady growth over the last several years, which further got accelerated after the unjust blockade in early June 2017. The two-way trade exchange between Qatar and India jumped to QR44.13bn in 2018 from QR31.06bn in 2016, registering over 42% growth in just two years. When compared on yearly basis, the bilateral trade volume increased by nearly 24% last year against QR35.62bn in 2017, data released by Qatar Chamber showed. The trade balance has been in favor of Qatar for the last several years. Qatar's trade surplus with India reached at QR 29.67bn in 2018, registering a significant growth of nearly 21% compared to QR24.14bn in 2017. (Peninsula Qatar)

International

- **Soft US factory activity darkens economic outlook** – The US manufacturing activity barely grew in early June and the service sector cooled, signs that President Donald Trump's trade war with China could be weighing on the economy. Data firm IHS Markit stated its US manufacturing purchasing managers index (PMI) declined to a reading of 50.1 in early June, the lowest level since September 2009. A reading above 50 indicates growth in the manufacturing sector, which accounts for about 12% of the US economy. The data firm's PMI for the US services sector dropped to 50.7, the lowest since February 2016. Both the manufacturing and the service sector readings were below expectations of analysts polled by Reuters. (Reuters)
- **US current account shrinks in first quarter on weak imports** – The US current account deficit narrowed sharply in the first quarter as imports of goods declined, while US companies continued to repatriate foreign earnings following the overhaul of the tax code in 2018. The Commerce Department stated the current account deficit, which measures the flow of goods, services and investments into and out of the country, fell 9.4% to \$130.4bn. Data for the fourth quarter was revised to show the deficit widening to \$143.9bn, instead of the previously reported \$134.4bn. The government revised current account data from

2016 through the fourth quarter of 2018. Economists polled by Reuters had forecast the current account deficit shrinking to \$124.6bn in the first quarter. The current account gap represented 2.5% of gross domestic product in the January-March quarter, down from 2.8% in the fourth quarter. The deficit on the current account has shrunk from a peak of 6.2% of GDP in the fourth quarter of 2005, in part because of a significant increase in the volume of oil exports. (Reuters)

- **US weekly jobless claims fall more than expected** – The number of Americans filing applications for unemployment benefits fell more than expected last week, pointing to underlying market strength despite a sharp slowdown in job growth in May. Initial claims for state unemployment benefits dropped 6,000 to a seasonally adjusted 216,000 for the week ended June 15, the Labor Department stated. Data for the prior week was unrevised. Economists polled by Reuters had forecast claims would decrease to 220,000 in the latest week. The Labor Department stated no states were estimated. The drop in claims followed three straight weekly increases. Claims are being closely watched for signs of a rise in layoffs stemming from a recent escalation in trade tensions between the US and China. (Reuters)
- **US existing home sales rise, boosted by lower rates** – US home sales rose in May, boosted by lower interest rates for mortgages, giving a positive signal for the health of the US economy. The National Association of Realtors stated existing home sales increased 2.5% to a seasonally adjusted annual rate of 5.34mn units last month. April's sales pace was revised slightly higher to 5.21mn. Economists polled by Reuters had forecast existing home sales rising to a rate of 5.25mn units in May. Existing home sales, which make up about 90% of US home sales, dropped 1.1% from a year ago. That was the 15th straight YoY decrease in home sales. (Reuters)
- **QNB Group: US Federal Reserve to cut rates only if economy weakens** – The Federal Reserve (Fed), the US central bank, is under pressure from both President Donald Trump and financial markets to stimulate the US economy by cutting interest rates. However, the Fed only recently switched from a path of steady interest rate hikes to a 'wait and see' stance. Since then, economic conditions have deteriorated remarkably little despite the outlook becoming much more cloudy. "We expect the Fed to wait for clear evidence of economic weakness before cutting interest rates, particularly given Trump's attack on its independence," QNB Group stated. The Federal Open Market Committee (FOMC), which makes the Fed's monetary policy decisions, released updated economic projections after its meeting on June 19. "The FOMC's projections have softened, which we believe is mainly due to a combination of the US-China trade war, and recent weaker economic data. However, we fear that Trump's insistence on lower interest rates may also have played a role despite the Fed's independence," QNB Group stated in its report. (Qatar Tribune)
- **Bank of England chops second-quarter growth forecast, sees bigger global and Brexit risks** – Bank of England (BoE) cut its growth forecast for Britain's economy to zero in the second quarter of 2019 and highlighted risks from global trade tensions and growing fears of a no-deal Brexit. BoE officials voted unanimously to hold interest rates at 0.75%, as expected, and

stuck to their message that rates would need to rise in a limited and gradual fashion, assuming Britain can avoid a damaging no-deal Brexit. However, the BoE noted a darkening global outlook that has already prompted the European Central Bank, US Federal Reserve and Bank of Japan to signal this week that more stimulus could be on the way. Britain's economy is now on track to stagnate in the second quarter, the BoE stated, rather than grow 0.2% QoQ as it had predicted last month, citing the run-up in stockpiling earlier this year by many companies ahead of an original Brexit deadline in March. (Reuters)

- **Eurozone's business growth stayed weak in June as optimism wanes** – Eurozone's business activity picked up a touch this month but worries about slowing global growth and the impact of spreading trade conflict meant firms were at their least optimistic in nearly five years, a survey showed. Activity was at its strongest since November but it was unbalanced, with manufacturing activity contracting for a fifth month, overshadowing a small uptick in the services industry. The downbeat showing comes just days after European Central Bank's (ECB) President, Mario Draghi signaled one of the biggest policy reversals of his eight-year tenure and said the Bank would ease policy again if inflation failed to accelerate. Despite years of ultra-loose monetary policy, prices have failed to rise as fast as the ECB wants, while a slew of recent data have suggested growth is slowing. IHS Markit's Flash Composite Purchasing Managers' Index (PMI), which is considered a good guide to economic health, only nudged up to 52.1 this month from a final May reading of 51.8, beating the median expectation in a Reuters poll for 51.8. (Reuters)
- **Divided EU leaders set sorting out Eurozone's budget financing as priority** – European Union leaders told their Finance Ministers to sort out the sources of financing for a future Eurozone budget as a matter of priority, but remained vague on the idea of a European bank deposit insurance scheme. The chairman of Eurozone's Finance Ministers, Mario Centeno, briefed the leaders on what ministers have achieved since they were asked last December to work on creating a Eurozone budget along with other reforms, including the deposit guarantee scheme known as EDIS. The ministers were to have worked out how a budget for the 19 countries sharing the euro currency could be financed, what it should be used for and how it would be managed, with the final size to be determined by the leaders. But progress has been limited because of widely differing views. France and several southern European countries want a large budget funded by dedicated taxes and able to stabilize economies hit by an unexpected shock. (Reuters)
- **Japan's May core CPI rises 0.8% YoY** – Japan's core consumer prices rose 0.8% in May from a year earlier, government data showed. The core consumer price index, which includes oil products but excludes fresh food prices, compared with economists' median estimate for a 0.8% annual gain. Stripping away the effect of fresh food and energy, consumer prices rose 0.5% in May from a year ago. (Reuters)
- **Reuters poll: BoJ tankan to show big manufacturers' mood at near three-year low** – Japanese big manufacturers' business confidence likely worsened to nearly three-year lows in the

June quarter as the US-China trade war and weakening global demand hurt the export-reliant economy, a Reuters' poll found. Deterioration in corporate sentiment will add to the Bank of Japan's (BoJ) concerns about slowing economic growth after its governor signaled readiness to ramp up stimulus as global risks cloud the outlook. BoJ's quarterly tankan business sentiment survey is expected to show the headline index for big manufacturers' confidence slipped to plus nine in June from plus 12 three months earlier, the poll of 16 economists showed. That level for the index would be the lowest since September 2016 when it was at plus six. The sentiment index for big non-manufacturers inched down to plus 20 in June from plus 21 seen in March survey, the poll found. (Reuters)

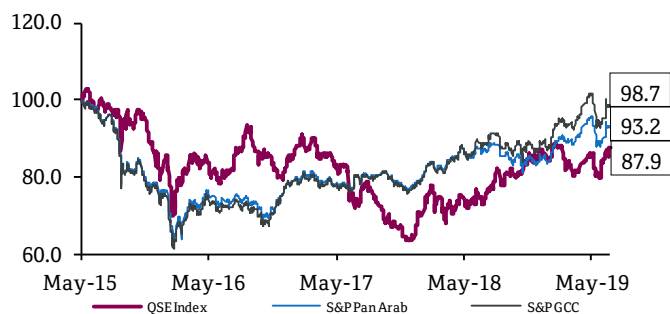
Regional

- **OPEC's market share is in long-term decline** – The OPEC share of the global oil market is progressively eroding as it attempts to keep prices artificially high by restricting its own production. OPEC's share of global production fell to just 41.5% last year, the lowest since 2003, according to figures contained in the latest edition of the BP Statistical Review of World Energy, published on June 11. OPEC's share will almost certainly shrink even further this year, to the lowest level since 2002, and before that the early 1990s, given the organization's output cuts and US sanctions on Iran and Venezuela. The organization's members progressively increased their market share between 2002 and 2008, but since then, their share has been on a downward trend, which shows no sign of reversing. (Reuters)
- **Trump's 'economy first' approach to Middle East peace built on big-money projects** – The Trump administration's \$50bn Middle East economic plan calls for creation of a global investment fund to lift the Palestinian and neighboring Arab state economies, and construction of a \$5bn transportation corridor to connect the West Bank and Gaza, according to US officials and documents reviewed by Reuters. The economy first approach toward reviving the moribund Israeli-Palestinian peace process could be a hard sell to a largely skeptical region. The plan, set to be presented by President Donald Trump's son-in-law, Jared Kushner at an international conference in Bahrain next week, includes 179 infrastructure and business projects, according to the documents. (Peninsula Qatar)
- **Gulf oil producers to maintain output within OPEC target in July** – Gulf OPEC producers will keep their July oil production within their OPEC target despite the current global supply cut pact expiring at end of June, OPEC sources said, a signal that the Gulf exporters are reluctant to boost supply. Saudi Arabia, the top global oil exporter's crude output in June will be around the same level of its May production, and its July output will remain within its obligation under the OPEC-led supply cut deal, the sources said. Saudi Arabian oil output in May was 9.67mn bpd, according to OPEC figures. Saudi Arabia has been pumping below its 10.3mn bpd target under the OPEC pact for the past months. Key OPEC producers Kuwait and the UAE are also keeping their output in July within the OPEC target and will not be raising their production, the sources added. In May, Kuwait pumped 2.709mn bpd, and the UAE's oil production was 3.055mn bpd - both below their OPEC's supply target. The moves indicate that the powerful Gulf oil producers block wants to keep the existing output cut by OPEC unchanged for the second half of the year. (Reuters)
- **Kpler: Middle East LPG exports to rebound in June after May plunge** – Liquefied petroleum gas (LPG) exports from the Middle East are likely to bounce back in June to 3.4mn tons, up 4% YoY, after a 24% decline in May, data intelligence firm Kpler stated. Exports of LPG including gases like propane and butane dropped to 2.78mn tons in May, the lowest level in more than two years, it stated. Production cut by OPEC nations and rising shipments from the US pressured flows from the Middle East. June exports are likely to rise due to an increase in exports from the UAE and Saudi Arabia. The UAE shipments will climb 31% MoM to 787k tons in June and Saudi Arabian shipments is likely to increase 34% to 762k tons. (Bloomberg)
- **Saudi Arabia's Tadawul to lure \$1.39bn foreign flows on FTSE third phase inclusion** – The Saudi Stock Exchange (Tadawul) is expected to attract foreign inflows worth \$1.39bn on the back of implementing the third tranche of Saudi Arabia's addition to FTSE Russell EM index with an inclusion factor of 25% allocated to this tranche, Aljazeera Capital stated in a report. The closing date of the third tranche will be on Monday, June 24, the report stated. "Given the size of the inclusion, FTSE Russell has proposed to implement the inclusion of Saudi Arabia in several tranches in order to ensure mechanisms are operating as expected, thereby minimizing price pressure on new constituents and to spread outflows from those markets being sold down," the Kingdom-based research firm highlighted. Tadawul's inclusion to FTSE Russell EM index is projected to generate foreign inflows of SR20.6bn through all the five tranches in the span of two years. (Zawya)
- **Saudi Arabia becomes full member of Financial Action Task Force** – Saudi Arabia has become a full member of the Financial Action Task Force group (FATF), the first Arab country to do so, the Kingdom's Saudi Arabian Monetary Authority (SAMA) stated. SAMA stated that the accession was granted after a FATF plenary meeting on Friday. The Kingdom had observer status since June 2015 in recognition of its role in combating money laundering and financing of terrorism and proliferation. (Bloomberg)
- **Saudi Arabia seeks interest for first healthcare PPP project** – The Health Ministry is seeking international and local healthcare firms to submit expressions of interest for the development of the first health sector public private partnership (PPP) in Saudi Arabia, according to a statement. Expressions of interest for the development of a radiology and medical imaging project in Riyadh are due by July 1. IFC is advising Health Ministry on the project. (Bloomberg)
- **Saudi Aramco says all operations normal after reports of Jazan attack** – Saudi Aramco stated that all of its facilities are fully operational after reports that Houthi rebels in Yemen had targeted a power plant in southern Saudi Arabia with a missile. Saudi Aramco, which is building an oil refinery and power plant in the southern city of Jazan where the attack was said to have taken place, was responding to a request from Bloomberg for comment on whether its facilities were damaged; earlier news reported had not identified any Saudi Aramco facilities as having been damaged. (Bloomberg)

- **Warba Bank applies to Central Bank of Kuwait again to buy KMEFIC stake** – Warba Bank has submitted a new request to the Central Bank of Kuwait (CBK) for acquisition of 75.7% of Kuwait & Middle East Financial Investment (KMEFIC) after an earlier request was rejected, Alrai reported, citing unidentified sources. CBK has asked for some clarifications on the new request. (Bloomberg)
- **NBK Capital Partners abandons advanced talks to buy Abraaj's credit fund** – NBK Capital Partners, owned by Kuwait's biggest lender, has walked away from advanced talks to buy a global credit fund previously managed by collapsed Dubai buyout firm Abraaj Capital Ltd, according to sources. The move came as US prosecutors last week charged several senior executives of Abraaj with criminal charges, accusing them of taking part in a massive international scheme to defraud investors. NBK Capital Partners is not engaging with them, sources said, referring to the liquidators for Abraaj, who are seeking a new manager for the fund. NBK Capital Partners had been seen as the frontrunner to manage the fund and has been close to a deal, sources said. (Reuters)
- **Kuwait's KUFPEC eyes acquisitions as it boosts oil and gas output** – Kuwait Foreign Petroleum Exploration Co. (KUFPEC) is looking for strategic acquisitions in the coming year and a half as it aims to boost its oil and gas production to 150,000 barrels of oil equivalent per day (boepd) by 2020, KUFPEC's Acting Chief Executive, Sheikh Nawaf al-Sabah said. He told Reuters the state-run company will focus on oil and gas exploration in countries such as in Malaysia, Indonesia, Pakistan and Australia. "We are currently at 120,000 BOE (per day), and we expect to be close to 150,000 BOE (per day) thanks to organic growth we foresee in our existing projects," he said. "We need one or two strategic acquisitions over the near term to close the gap and reach a sustainable 150,000 BOE (per day) of production. If we get an opportunity in a new jurisdiction that fits within our strategy, we will take that as well," he added. The company is also focusing on growing its producing assets in places such as Southeast Asia, Pakistan, Canada, and Norway, he said. One of the company's main projects is its Wheatstone joint venture in Australia, which produces liquefied natural gas (LNG). KUFPEC is also investing in Canadian shale gas and last month signed an oil concession in Pakistan. "We are no longer doing small acquisitions and we are no longer doing small deals. We will continue to look at and try to grow our business in the places where we are already strong." KUFPEC is the foreign exploration arm of Kuwait, a key Gulf OPEC producer which pumps about 2.7mn barrels per day of oil and plans to boost its crude oil production capacity to 4.75mn bpd in 2040. Kuwait's domestic oil expansion strategy will focus on offshore exploration and KUFPEC will be able to provide the knowledge and expertise needed to achieve that target, he said. (Reuters)
- **Bahrain's 1Q2019 real GDP rises 2.7% YoY** – Information & eGovernment Authority in Manama published Bahrain's first quarter preliminary GDP at constant and current prices by economic activity which showed that the GDP came in at BHD3,155mn in 1Q2019 as compared to BHD3,071mn in the same quarter a year ago, representing a rise of 2.7% YoY. Crude petroleum and natural gas came in at BHD528mn as compared

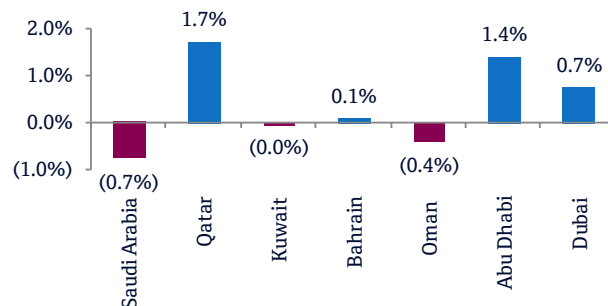
to BHD484mn. Manufacturing figures came in at BHD444mn as compared to BHD458mn. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,399.60	0.8	4.3	9.1
Silver/Ounce	15.34	(0.6)	3.2	(1.0)
Crude Oil (Brent)/Barrel (FM Future)	65.20	1.2	5.1	21.2
Crude Oil (WTI)/Barrel (FM Future)	57.43	1.4	9.4	26.5
Natural Gas (Henry Hub)/MMBtu	2.27	(4.6)	(4.2)	(28.8)
LPG Propane (Arab Gulf)/Ton	47.25	3.6	8.9	(25.6)
LPG Butane (Arab Gulf)/Ton	45.13	5.6	15.3	(35.5)
Euro	1.14	0.7	1.4	(0.9)
Yen	107.32	0.0	(1.1)	(2.2)
GBP	1.27	0.3	1.2	(0.1)
CHF	1.02	0.5	2.3	0.5
AUD	0.69	0.0	0.8	(1.7)
USD Index	96.22	(0.4)	(1.4)	0.0
RUB	63.02	0.2	(2.1)	(9.6)
BRL	0.26	0.4	1.9	1.6

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,178.16	(0.2)	2.2	15.6
DJ Industrial	26,719.13	(0.1)	2.4	14.5
S&P 500	2,950.46	(0.1)	2.2	17.7
NASDAQ 100	8,031.71	(0.2)	3.0	21.0
STOXX 600	384.76	0.1	2.8	12.8
DAX	12,339.92	0.3	3.2	15.8
FTSE 100	7,407.50	(0.2)	1.7	9.8
CAC 40	5,528.33	0.3	4.2	15.7
Nikkei	21,258.64	(1.1)	1.7	9.1
MSCI EM	1,053.22	(0.1)	3.8	9.1
SHANGHAI SE Composite	3,001.98	0.2	5.0	20.5
HANG SENG	28,473.71	(0.3)	5.2	10.5
BSE SENSEX	39,194.49	(1.1)	(0.3)	8.9
Bovespa	102,012.60	3.0	6.1	17.5
RTS	1,375.02	(1.2)	2.5	28.7

Source: Bloomberg (*\$ adjusted returns)

Contacts

Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

saugata.sarkar@qnbfs.com.qa

Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

mehmet.aksoy@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

shahan.keushgerian@qnbfs.com.qa

QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

PO Box 24025

Doha, Qatar

Zaid al-Nafoosi, CMT, CFTe

Senior Research Analyst

Tel: (+974) 4476 6535

zaid.alnafoosi@qnbfs.com.qa

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