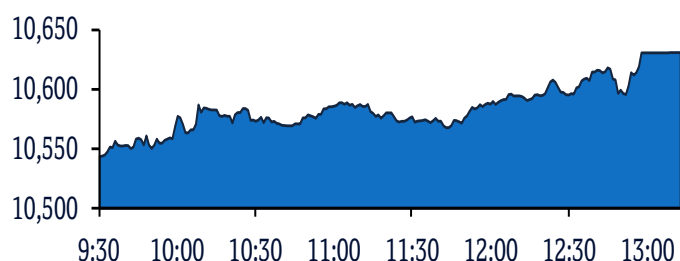


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.8% to close at 10,631.3. Gains were led by the Telecoms and Industrials indices, gaining 2.1% and 1.6%, respectively. Top gainers were Qatari German Company for Medical Devices and Industries Qatar, rising 2.9% and 2.5%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 4.2%, while Al Khaleej Takaful Insurance Company was down 1.5%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.4% to close at 8,819.0. Gains were led by the Utilities and Energy indices, rising 2.7% and 2.5%, respectively. Saudi Arabian Mining Company rose 6.5%, while Sahara International Petrochem. was up 5.2%.

Dubai: The DFM Index declined 0.2% to close at 2,850.7. The Telecommunication index fell 1.8%, while the Transportation index declined 0.8%. Dubai National Insurance & Reinsurance Co. fell 10.0%, while Al Salam Sudan was down 7.7%.

Abu Dhabi: The ADX General Index gained 0.6% to close at 5,387.8. The Energy index rose 2.5%, while the Investment & Financial Services index gained 1.7%. Methaq Takaful Insurance rose 5.2%, while Dana Gas was up 3.9%.

Kuwait: The Kuwait All Share Index gained 0.5% to close at 6,080.2. The Insurance index rose 2.1%, while the Telecommunications index gained 0.7%. KAMCO Investment Company and Kuwait Reinsurance Company were up 9.9% each.

Oman: The MSM 30 Index fell 0.3% to close at 3,754.8. Losses were led by the Financial and Services indices, falling 0.3% and 0.2%, respectively. Renaissance Services fell 5.1%, while Al Anwar Holding was down 3.2%.

Bahrain: The BHB Index gained 0.5% to close at 1,522.7. The Commercial Banks index rose 0.8%, while the Industrial index gained 0.5%. BBK rose 1.8%, while Zain Bahrain was up 1.1%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Devices	0.76	2.9	1,843.2	33.4
Industries Qatar	11.48	2.5	1,808.2	(14.1)
Ooredoo	7.12	2.4	702.8	(5.1)
Gulf International Services	1.82	2.2	409.4	7.1
Qatar Electricity & Water Co.	16.27	1.7	475.5	(12.1)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.71	1.3	6,713.2	(45.0)
Qatar First Bank	0.41	0.5	4,273.9	(0.5)
Barwa Real Estate Company	3.58	0.6	3,910.2	(10.3)
Qatar Aluminium Manufacturing	0.99	0.8	3,856.0	(25.5)
Masraf Al Rayan	3.93	0.8	3,625.1	(5.7)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,631.28	0.8	1.2	1.7	3.2	51.65	160,655.5	14.0	1.8	4.1
Dubai	2,850.69	(0.2)	3.2	7.2	12.7	68.29	100,727.0	11.6	1.0	4.3
Abu Dhabi	5,387.77	0.6	3.3	8.2	9.6	86.34	148,687.5	16.0	1.6	4.6
Saudi Arabia	8,819.00	0.4	(2.4)	(0.0)	12.7	1,067.97	555,612.1	20.2	2.0	3.4
Kuwait	6,080.24	0.5	(0.7)	4.3	19.7	105.22	113,508.8	15.0	1.5	3.5
Oman	3,754.76	(0.3)	0.2	(3.4)	(13.2)	2.96	16,559.9	7.2	0.8	7.3
Bahrain	1,522.71	0.5	(1.0)	3.5	13.9	8.72	23,796.2	10.9	1.0	5.0

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	25 July 19	24 July 19	%Chg.
Value Traded (QR mn)	187.6	175.9	6.6
Exch. Market Cap. (QR mn)	584,839.8	579,969.7	0.8
Volume (mn)	54.8	55.8	(1.8)
Number of Transactions	4,855	3,550	36.8
Companies Traded	45	44	2.3
Market Breadth	29:9	18:21	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,562.46	0.8	1.2	7.8	14.0
All Share Index	3,137.71	0.7	1.0	1.9	14.4
Banks	4,120.69	0.6	0.7	7.6	12.8
Industrials	3,221.75	1.6	2.0	0.2	16.7
Transportation	2,607.28	(0.2)	0.3	26.6	16.6
Real Estate	1,551.86	0.6	0.8	(29.0)	14.7
Insurance	3,166.00	0.2	1.3	5.2	18.3
Telecoms	956.48	2.1	1.9	(3.2)	19.6
Consumer	8,213.19	0.2	1.3	21.6	15.9
Al Rayan Islamic Index	4,087.40	0.6	1.2	5.2	14.3

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Arabian Mining Co.	Saudi Arabia	49.80	6.5	1,582.8	1.0
Sahara Int. Petrochemical	Saudi Arabia	20.20	5.2	3,664.5	1.2
Rabigh Ref. & Petrochem.	Saudi Arabia	21.34	5.1	2,018.7	11.8
Savola Group	Saudi Arabia	30.95	3.7	1,455.1	15.5
Saudi Arabian Fertilizer	Saudi Arabia	89.40	3.5	630.7	16.0

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Al Rajhi Bank	Saudi Arabia	69.40	(2.4)	9,555.5	22.0
Bupa Arabia for Coop. Ins.	Saudi Arabia	103.00	(1.7)	137.9	27.2
Emaar Malls	Dubai	2.10	(1.4)	3,409.4	17.3
Almarai Co.	Saudi Arabia	50.10	(1.2)	1,277.5	4.4
Saudi British Bank	Saudi Arabia	40.75	(0.9)	1,957.5	24.8

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.	3.63	(4.2)	32.4	(19.1)
Al Khaleej Takaful Insurance Co.	2.01	(1.5)	1,427.3	134.0
Qatar National Cement Company	6.20	(1.4)	300.3	4.2
United Development Company	1.40	(1.4)	2,168.3	(5.1)
Medicare Group	7.77	(1.4)	359.7	23.1

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.50	0.8	40,945.2	0.0
Industries Qatar	11.48	2.5	20,634.1	(14.1)
Masraf Al Rayan	3.93	0.8	14,205.7	(5.7)
Barwa Real Estate Company	3.58	0.6	14,033.2	(10.3)
Qatar Fuel Company	21.50	0.4	9,674.0	29.5

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index rose 0.8% to close at 10,631.3. The Telecoms and Industrials 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.
- Qatari German Company for Medical Devices and Industries Qatar were the top gainers, rising 2.9% and 2.5%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 4.2%, while Al Khaleej Takaful Insurance Company was down 1.5%.
- Volume of shares traded on Thursday fell by 1.8% to 54.8mn from 55.8mn on Wednesday. Further, as compared to the 30-day moving average of 72.1mn, volume for the day was 24.0% lower. Ezdan Holding Group and Qatar First Bank were the most active stocks, contributing 12.3% and 7.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	20.77%	41.22%	(38,372,290.59)
Qatari Institutions	18.20%	30.93%	(23,887,672.84)
Qatari	38.97%	72.15%	(62,259,963.43)
GCC Individuals	0.63%	0.52%	207,468.09
GCC Institutions	2.49%	2.80%	(570,570.85)
GCC	3.12%	3.32%	(363,102.76)
Non-Qatari Individuals	7.92%	10.64%	(5,096,672.41)
Non-Qatari Institutions	49.99%	13.90%	67,719,738.59
Non-Qatari	57.91%	24.54%	62,623,066.19

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
Saudi Electricity Co.	Saudi Arabia	SR	16,520.0	-6.7%	1,933.0	-31.8%	789.0	-57.3%
Saudia Dairy and Foodstuff Co.	Saudi Arabia	SR	485.2	18.3%	58.9	16.0%	57.9	15.7%
Zamil Industrial	Saudi Arabia	SR	1,046.6	-1.4%	-52.6	N/A	-49.6	N/A
Mouwasat Medical Services Co.	Saudi Arabia	SR	446.3	13.2%	104.0	5.3%	90.3	2.8%
Jabal Omar Development Co.	Saudi Arabia	SR	297.0	18.7%	188.2	4,045.4%	30.1	N/A
Bahrain Telecommunication Co.	Bahrain	BHD	100.4	-0.1%	-	-	17.1	116.7%

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/25	US	Department of Labor	Initial Jobless Claims	20-July	206k	218k	216k
07/25	US	Department of Labor	Continuing Claims	13-July	1,676k	1,688k	1,689k
07/26	US	Bureau of Economic Analysis	GDP Annualized QoQ	2Q2019	2.1%	1.8%	3.1%
07/26	US	Bureau of Economic Analysis	GDP Price Index	2Q2019	2.4%	2.0%	1.1%
07/26	France	INSEE National Statistics Office	Consumer Confidence	July	102.0	102.0	101.0
07/26	France	INSEE National Statistics Office	PPI MoM	June	-0.5%	-	-0.4%
07/26	France	INSEE National Statistics Office	PPI YoY	June	0.2%	-	0.7%
07/25	Japan	Bank of Japan	PPI Services YoY	June	0.7%	0.8%	0.9%
07/26	Japan	Ministry of Internal Affairs and Communications	Tokyo CPI YoY	July	0.9%	1.0%	1.1%

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
QFBQ	Qatar First Bank	28-Jul-19	0	Due
QCFS	Qatar Cinema & Film Distribution Company	29-Jul-19	1	Due
QNNS	Qatar Navigation (Milaha)	29-Jul-19	1	Due
VFQS	Vodafone Qatar	29-Jul-19	1	Due
ORDS	Ooredoo	29-Jul-19	1	Due
QATI	Qatar Insurance Company	30-Jul-19	2	Due
AHCS	Aamal Company	30-Jul-19	2	Due
DBIS	Dlala Brokerage & Investment Holding Company	30-Jul-19	2	Due
MRDS	Mazaya Qatar Real Estate Development	31-Jul-19	3	Due
DOHI	Doha Insurance Group	31-Jul-19	3	Due
QNCD	Qatar National Cement Company	1-Aug-19	4	Due
IQCD	Industries Qatar	1-Aug-19	4	Due

Tickers	Company Name	Date of reporting 2Q2019 results	No. of days remaining	Status
IGRD	Investment Holding Group	4-Aug-19	7	Due
GISS	Gulf International Services	4-Aug-19	7	Due
QISI	Qatar Islamic Insurance Company	4-Aug-19	7	Due
BRES	Barwa Real Estate Company	5-Aug-19	8	Due
SIIS	Salam International Investment Limited	5-Aug-19	8	Due
MPHC	Mesaieed Petrochemical Holding Company	5-Aug-19	8	Due
ZHCD	Zad Holding Company	5-Aug-19	8	Due
QOIS	Qatar Oman Investment Company	5-Aug-19	8	Due
MCCS	Mannai Corporation	6-Aug-19	9	Due
MERS	Al Meera Consumer Goods Company	6-Aug-19	9	Due

Source: QSE

News

Qatar

- QIMD posts 37.3% YoY decrease but 6.1% QoQ increase in net profit in 2Q2019** – Qatar Industrial Manufacturing Company's (QIMD) net profit declined 37.3% YoY (but rose 6.1% on QoQ basis) to QR36.0mn in 2Q2019. The company's sales came in at QR87.5mn in 2Q2019, which represents a decrease of 2.7% YoY (-8.8% QoQ). In 1H2019, QIMD recorded net profit of QR70.0mn as compared to QR108.3mn in 1H2018. EPS amounted to QR0.15 in 1H2019 as compared to QR0.23 in 1H2018. (QSE)
- AKHI posts ~121% YoY increase but ~70% QoQ decline in net profit in 2Q2019** – Al Khaleej Takaful Insurance Company's (AKHI) net profit rose ~121% YoY (but declined ~70% on QoQ basis) to ~QR4mn in 2Q2019. In 1H2019, AKHI posted net profit of QR18.7mn as compared to QR7.8mn in 1H2018. (QSE)
- QAMC posts net profit of QR5.2mn for seven-month period up to June** – Qatar Aluminium Manufacturing Company (QAMC), a 50% shareholder in Qatalum, which is a successful producer of primary aluminum and one of the most efficient aluminum smelters in the region, reported a net profit of QR5.2mn for the seven-month period ended June 30, 2019. The financial results predominantly represent the share of net profit in QAMC's joint venture, Qatalum. QAMC's share of EBITDA in Qatalum for the period ended June 30, 2019 amounted to QR 375.2mn. The earnings per share stood at QR0.001, after the split of QAMC's shares. The aluminum industry is cyclical in nature and highly influenced by the recent trade restrictions imposed by some developed economies, affecting its supply and demand dynamics. During the six-month period ended June 30, 2019, the aluminum industry faced bearish economic sentiment which resulted in a drop in the realized selling prices by 10% compared to the previous year, directly affecting the performance of the company. Qatalum continued to gain from its strategic partner, Norsk Hydro ASA, and maintained its position to market and sell all of its produced products and compete with international suppliers for the period. Hence, Qatalum's sales volumes increased by 2% for the six-month period from January to June 2019, compared to the same period of 2018. Nevertheless, from the beginning of 2019, Qatalum witnessed gradual improvement in operating costs due to lower raw material costs and fixed costs. Alumina prices, a primary raw material, did not drop as much as the finished products' selling prices. During the second quarter, Qatalum has recognized a one-off impairment loss due to major overhaul of its steam turbines. QAMC's share of the recognition amounted to QR13mn, which resulted in a

corresponding share of power import costs that amounted to QR8mn, which primarily affected the profitability for the second quarter, apart from the continued decline in selling prices. QAMC's share of total assets in Qatalum as of June 30, 2019 stood at QR8bn, with share of cash and bank balances amounting to QR348.7mn. QAMC's share of net assets as of June 30, 2019 stood at QR4.7bn. QAMC's closing net cash and bank balance amounted to QR78.8mn after distribution of interim dividends to its share-holders amounting to QR111.6mn on May 5, 2019. (Peninsula Qatar)

- CBQK announces the approval of QFMA for the sale of treasury shares** – The Commercial Bank (CBQK) has now obtained the Qatar Financial Market Authority's (QFMA) approval to sell the bank's held treasury shares being 65,335,250 (following the recent share split) which equates to 1.614% of the bank's shares. The shares will now be sold in compliance with the QFMA Rules on 'Companies Buying Their Own Shares'. (QSE)
- Doha Bank back on track to grow after lender reduces risk** – Doha Bank is on track to improve performance after Qatar's fifth-biggest lender by assets reduced risk amid a two-year Saudi Arabia-led standoff, its CEO, Raghavan Seetharaman said. He said, "Lending has not grown significantly in the last two years, but our asset allocation model has changed. Lending has to be cautious and we are de-risking ourselves in terms of contract financing and real estate." The lender now has a fixed-income portfolio of more than \$6bn of mostly government securities that's performing well. The bank expects a quarter percentage point cut in US interest rates later this month that will help reduce its cost of funds. Doha Bank will increasingly rely on improving local liquidity for funds rather than on non-resident deposits, Seetharaman added. (Bloomberg)
- QCB plans centralized Shari'ah framework for Islamic banks** – Steps are under way to harmonize the Shari'ah regulatory framework for Qatar's Islamic banking sector. This includes establishing a centralized Shari'ah supervisory in Shari'ah governance, in line with the best global practice. Qatar Central Bank (QCB) revealed that a consultancy firm has already been entrusted with the mandate of preparing Shari'ah principles and standards that govern the various Islamic banking products and transactions and the legal supervision thereof. Currently, the Shari'ah governance structure of Islamic banking institutions in the country remains mostly decentralized. Individual banks have their own Shari'ah Supervisory Boards to oversee their operations and ensure their compliance with the

Islamic principles. The establishments of a centralized Shari'ah supervisory body will help achieve greater market-wide consistency and credibility in Shari'ah governance, in line with the best global practice, QCB noted in its 10th Financial Stability Review (FSR). The QCB document noted Qatar's Islamic banks have registered a CAGR of 10.3% since the segregation of Islamic business from the conventional banks back in 2012. (Peninsula Qatar)

- **QCB: Qatar's payment system worth QR4.1tn in 2018; NAPS handles bulk of transactions** – Qatar's payment system was worth QR4.1tn in 2018, with the nation-wide NAPS handling bulk of the transactions, Qatar Central Bank (QCB) data showed. In terms of the value of transactions, SWIFT system handled over 63% of the total value, while NAPS (local) handled 89% of the total volume of transactions, QCB stated in its 10th Financial Stability Review (FSR). The payment systems in Qatar comprising of retail and wholesale segment grew in comparison to the previous year, both in value and in volume terms. High-value transactions mostly took place through the SWIFT system, while small-value retail transactions took place in huge volumes through the NAPS (local) system. The secure electronic payment system in Qatar - QATCH - handles the financial transactions, in Qatari Riyals, among the banks within Qatar. Last year, transactions under QATCH increased in both value (7.1%) and volume (12.4%) terms over the previous year, QCB stated. Even though transactions processed by SWIFT system saw a decline in value of 23.3% in 2018 over the previous year, the growth in volume of 35.3% indicated that higher number of small value SWIFT transactions took place during the year. This was also corroborated by the fact that electronic cheques clearing (ECC) declined in both value and volume by 8.9% and 1.2%, respectively, in 2018. The availability of liquidity in the banking system was adequate as demonstrated by increase, in both value as well as volume terms, in both QMR deposits and loans activity processed through the payment and settlement systems, compared to the same during previous year. (Gulf-Times.com)
- **Qatar sees increase in workforce** – Qatar witnessed an increase in its labor force in the first three months of 2019 as compared to the last quarter of 2018, statistics showed. The number of participants in the labor force went up from 2,093,360 workers in 4Q2018 to 2,150,694 workers in 1Q2019, a rise of 2.73%. This included 85.3% males and 14.7% females. These figures were among the key findings of the Labor Force Sample Survey for 1Q2019, conducted by the Planning and Statistics Authority. The survey is carried by the Planning and Statistics Authority after taking into consideration the recommendations of the International Labor Organization (ILO). It is aimed at monitoring trends and changes in the labor market. The data also indicated that the economic participation of the population aged 15 years and above stood at 88.2%, accounting for 96% for males and 60.3% for females. In comparison, the labor force participation rate among individuals aged 15 years and above was 88% in 4Q2018, accounting for 96% for males and 58.6% for females. (Gulf-Times.com)

International

- **Reuters polls: Global economic growth rut at risk of deepening despite rate cuts** – A global economic growth rut risks deepening, despite expectations that major central banks will cut rates or ease policy further, according to Reuters polls of over 500 economists who remain worried about the US-China trade war. Major sovereign bond yields have tumbled as recent economic data have mostly underscored those concerns on growth, which appears to be slowing across most industrialized and important developing economies. But at the same time, stock markets have rallied on hopes of easier monetary policy; despite clear signs that trade conflict and geopolitical uncertainty are undercutting investment and activity. Increasing pessimism is clear from the latest Reuters polls taken July 1-24, which show the growth outlook for nearly 90% of over 45 economies polled was either downgraded or left unchanged. That applied not just to this year but also 2020. (Reuters)
- **US economy slows in second quarter; weak business investment a red flag** – The US economic growth slowed less than expected in the second quarter as a surge in consumer spending blunted some of the drag from declining exports and a smaller inventory build, which could further allay concerns about the economy's health. Gross domestic product increased at a 2.1% annualized rate in the second quarter, stepping down from an unrevised 3.1% pace in the January-March period. Economists polled by Reuters had forecasted GDP increasing at a 1.8% rate in the second quarter. They estimate the speed at which the economy can grow over a long period without igniting inflation at between 1.7% and 2.0%. Revisions to growth data published by the government also confirmed the economy missed the White House's 3.0% target in 2008, growing at a rate of 2.9%. When measured on a YoY basis, the economy only expanded 2.5%, instead of 3.0% as previously estimated. Economists, who are forecasting growth this year around 2.5%, say the massive fiscal stimulus, which included a \$1.5tn tax cut package, had no lasting impact on growth, while driving up the country's debt. Business investment fell at a 0.6% rate in the second quarter, the first contraction since the first quarter of 2016. It was pulled down by a 10.6% pace of decline in spending on structures, depressed by decreases in commercial and healthcare, and mining exploration, shafts and wells. (Reuters)
- **New orders for key US-made capital goods surges in June** – New orders for key US-made capital goods surged in June, suggesting some improvement in business investment, but economic growth is still expected to have slowed sharply in the second quarter amid weaker exports and a smaller inventory build. Still, the longest US economic expansion on record remains supported by a strong labor market. The economy has been hurt by the US-China trade war and slowing growth overseas. These factors are expected to encourage the Federal Reserve to cut interest rates next Wednesday for the first time in a decade. The Commerce Department stated orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, and jumped 1.9% last month after rising 0.3% in May. Orders for these so-called core capital goods in June increased across the board, with demand for machinery rising by the most in nearly one-and-a-half years. Economists polled by Reuters had forecasted core capital goods orders

would gain 0.2% in June. Core capital goods orders rose 1.9% on a YoY basis. Core capital goods shipments, which are used to calculate equipment spending in the government's gross domestic product measurement, increased 0.6% in June after advancing 0.5% in the prior month. (Reuters)

- **US weekly jobless claims fall to three-month low** – The number of Americans filing applications for unemployment benefits fell to a three-month low last week, pointing to sustained labor market strength even as the economy appears to be losing momentum. Initial claims for state unemployment benefits dropped 10,000 to a seasonally adjusted 206,000 for the week ended July 20, the lowest level since mid-April, the Labor Department stated. Data for the prior week was unrevised. Economists polled by Reuters had forecasted claims would increase to 219,000 in the latest week. The Labor Department stated no claims were estimated last week. The four-week moving average of initial claims, considered a better measure of labor market trends as it irons out week-to-week volatility, fell 5,750 to 213,000 last week. (Reuters)
- **CBI: UK's retail sales fall again in July, longest decline since 2011** – British retail sales contracted for a third month running in July, marking the longest stretch of decline since 2011 and suggesting an economic slowdown could continue into the third quarter, an industry survey showed. The Confederation of British Industry's (CBI) monthly gauge of retail sales rose to -16 from -42 in June, a smaller increase than expected in a Reuters poll of economists, which had pointed to a reading of -10. CBI's Chief Economist, Rain Newton-Smith said, "Whilst last year's summer strength in retail sales is driving some of the comparative weakness this year, it is still hugely concerning that sales have fallen for the longest period in almost eight years. The UK economy has reached a fork in the road. The new Prime Minister must now do everything in his power to achieve a good Brexit deal, thus protecting jobs and our economy." (Reuters)
- **CBI: UK private sector contracts again, but outlook improves** – British business activity, which has been buffeted by the country's Brexit crisis, fell again in the three months to July, but is expected to pick up over the next three months, the Confederation of British Industry (CBI) stated. The balance of firms reporting growth stood at -9%, indicating a less widespread slowdown than June's -13%, which was the weakest reading in nearly seven years, the CBI's monthly Growth Indicator showed. An indicator measuring expectations for the next three months was the strongest since October last year at +9%. Britain's economy has been whip-lashed by the twists and turns of Brexit so far in 2019 and by a slowdown in the global economy, caused in large part by rising trade tensions between the US and China. (Reuters)
- **ECB pledges more easing and ponders inflation goal review** – European Central Bank's (ECB) President, Mario Draghi all but pledged to ease policy further as the growth outlook deteriorates and even hinted on Thursday at a reinterpretation of the ECB's inflation target, the cornerstone of its entire policy framework. Officials told Reuters after the meeting that an interest rate cut in September appeared certain, while government bond purchases and a revamped policy message were also likely. Eurozone's inflation has undershot the ECB's

target for the past six years – most of Draghi's eight-year term – and he said the outlook looked bleak as a global trade war hit Europe's export-focused manufacturing sector. That threatened to infect a so-far resilient domestic economy that had not yet fully recovered from the bloc's debt crisis. (Reuters)

- **Decline in German business morale fuels recession fears** – German business morale plunged in July to its lowest level in more than six years, a survey showed, in a further sign that a manufacturing crisis is pulling Europe's largest economy towards recession. The data bodes ill for Germany's export-reliant economy which has been hit hard by weaker foreign demand, trade disputes and Brexit uncertainty. The Ifo institute stated its business climate index fell to 95.7 from an upwardly revised 97.5 in June. The July reading undershot a consensus forecast for 97.1. It was the fourth monthly decline in a row and the lowest level since April 2013. Germany's gross domestic product is widely expected to have shrunk in the second quarter after a solid 0.4% QoQ expansion in the first three months. Another quarter of economic contraction would be a technical recession. (Reuters)
- **QNB Group: Chinese economy faces challenges due to domestic concerns, external headwinds** – Chinese economy is facing challenges due to domestic concerns and several external headwinds, QNB Group has stated in an economic commentary. Chinese economic weakness has been a topic of major policy and investment discussions since at least 2015. More recently, China's aim to sustain both rapid growth and financial deleveraging became ever more challenging, QNB Group noted. On top of domestic concerns associated with capital misallocation and high indebtedness, China is now facing several external headwinds, not least a slowing global economy and a fierce trade dispute with the US. In fact, Chinese growth has continued to tick down. Last quarter, China's GDP growth figures presented the weakest reading (6.2% YoY) since the series started to be published in 1992. Moreover, key business surveys such as the manufacturing Purchasing Managers' Index (PMI) and new orders continue to hover below the contractionary threshold. However, it is not all doom and gloom for China, QNB Group stated and noted that a closer look at recent leading indicators suggest a more mixed picture, including significant signs of growth stabilization. (Gulf-Times.com)
- **China's industrial profits fall in June, add to fears of slowdown** – Profits earned by China's industrial firms contracted in June after a brief gain the previous month, fuelling concern that a slowdown in manufacturing from a bruising trade war will drag on economic growth. China's industrial profits have been softening since the second half of 2018 as the economy slowed and the US-China trade dispute escalated, with many industrial firms putting off business decisions and scaling back manufacturing investment. Economic growth in the second quarter slowed to a near 30-year low. Industrial profits fell 3.1% in June from a year earlier to 601.9bn Yuan, according to data released by the National Bureau of Statistics (NBS), following a 1.1% gain in May. In the first six months, industrial firms earned profits of 2.98tn Yuan, down 2.4% from a year earlier, compared with a 2.3% drop in January-May. (Reuters)

Regional

- **Russia's 2019 oil output will be in line with commitments under global deal** – Russian oil production is expected to total 556-557mn tons this year or 11.17-11.19mn barrels per day (bpd), Energy Minister, Alexander Novak said. That will be in line with Russia's commitments under a global deal between oil producers to cut output. "We have another half a year to go so this is hard to predict the exact figure, will see how the things will develop," he said. Under the global deal, Russia committed to cut output by 228,000 bpd from the 11.41mn bpd pumped in October 2018. He said that Russia is committed to keeping its monthly average oil production in line with the global agreement, however, the level may fluctuate in the course of a month due to various factors. (Reuters)
- **SoftBank Group's \$108bn Vision Fund 2 draws in Microsoft, Apple** – SoftBank Group Corp has secured pledges from Microsoft Corp and other investors of around \$108bn for a second Vision Fund aimed at investing in technology firms. The Japanese conglomerate itself plans to invest \$38bn in the fund, it stated. Others set to join include Apple Inc and Taiwan's Hon Hai Precision Industry Co. Ltd. (Foxconn) - both investors in the first fund. Notable by their absence on the list of state and corporate backers were the sovereign wealth funds of the two countries which formed the cornerstone of its first fund: Saudi Arabia and Abu Dhabi, as well as investment bank Goldman Sachs. SoftBank stated that it is still talking to potential investors and that it expected the fund's anticipated capital to grow. Saudi Arabia's Crown Prince Mohammed bin Salman told Bloomberg in October his country was ready to commit a further \$45bn through its Public Investment Fund (PIF), adding, "Without the PIF, there will be no SoftBank Vision Fund". Discussions between Softbank and PIF were ongoing, but the Saudis would wait for a formal proposal before deciding whether to invest in the new fund, source said. (Reuters)
- **Saudi Arabia aims to expand pipeline to reduce oil exports via Gulf** – Saudi Arabia aims to raise the capacity of its east-west pipeline by 40% in two years so more of its oil exports can avoid passing through the Strait of Hormuz, the Energy Minister, Khalid Al-Falih said. He also told Reuters that importers should, as a first immediate step, secure shipments through the strategic waterway at the mouth of Gulf, after attacks on oil tankers in the area and the seizure of a British-flagged ship by Iran. He said that the international community should take swift action to protect oil supplies and secure the Strait, through which about a fifth of the world's oil passes. Oil importers "have to do what they have to do to protect their own energy shipments because Saudi Arabia cannot take that on its own," he said in an interview during a visit to India. The US, which has imposed economic sanctions on Iran to halt its exports of oil, is trying to rally support for a global coalition to secure Gulf waters. Britain has called for a European-led naval mission to protect shipping. (Reuters)
- **Saudi Arabia's Falih says Reliance-Aramco talks on Indian refinery stake continue** – Saudi Arabia's Energy Minister, Khalid Al-Falih said that state-run Saudi Aramco's talks with Reliance Industries to buy a minority stake in the Indian conglomerate's refining assets have not stalled. "The two companies, Reliance and Saudi Aramco, are talking with a lot of goodwill, with good intention," he told Reuters. Reliance, controlled by Asia's richest man Mukesh Ambani, operates the world's biggest refining complex with capacity to process 1.4mn barrels per day (bpd) of oil at Jamnagar in western India. State-owned Saudi Aramco, the world's biggest oil producer, plans to boost investment in refining and petrochemicals to secure new markets for its crude amid a recent demand slowdown. Reuters reported that talks between the companies had hit a roadblock as Reliance was keen on a higher valuation. However, Khalid Al-Falih, who met Indian Oil Minister, Dharmendra Pradhan, said he was 'optimistic' that a deal between the two companies would work out. "We still see daylight. We will announce the terms when they are concluded," he said. (Reuters)
- **Saudi Arabia's sovereign fund to cut banks' returns with new \$10bn loan** – Saudi Arabia's Public Investment Fund (PIF) is putting together a \$10bn loan and plans to more than halve the returns it gave banks last year in its first multibillion Dollar facility, banking sources said. PIF raised \$11bn through a five-year loan last year and is in advanced talks to borrow \$10bn more. It plans to offer lenders an initial interest rate of around 30 basis points over the London Interbank Offered Rate (LIBOR) for the one-year loan, sources said. The fund had offered banks 75 basis points over Libor last year with its \$11bn facility, sources said at the time. While the shorter duration of the new transaction justifies a smaller interest rate request, its large size and the fact that it comes less than a year after PIF's first jumbo loan are straining the lending capabilities of some banks, said the sources. "Banks are full," one of them said, referring to banks' exposure to Saudi risk. The fund, which has about \$300bn in assets, is the main vehicle for Crown Prince, Mohammed bin Salman's plan to diversify the economy away from oil. The new "bridge" loan will be repaid once PIF receives next year half of the \$69bn in proceeds from the sale of its stake in petrochemical producer Saudi Basic Industries Corp (SABIC) to oil giant Saudi Aramco. The interest margin would increase during the duration of the loan, depending on how long PIF takes to repay it, the sources said. (Reuters)
- **Clariant suffers another setback as joint venture talks with SABIC collapse** – Clariant stated that joint venture talks with shareholder Saudi Basic Industries (SABIC) had been shelved due to differences over price, a further setback for the Swiss chemicals maker whose CEO abruptly quit last week. Clariant and SABIC, which has a 25% stake in the Swiss group, had been working to combine Clariant's additives and specialty master-batches businesses with parts of SABIC's specialty chemicals operation. They had hoped to create an operation with \$3.14bn in annual sales controlled by the Swiss company. Master-batches include colors, additives and special effect concentrates for plastics used for products such as packaging. Clariant's CFO, Patrick Jany said market conditions left an agreement on how much Clariant would pay for the SABIC assets out of reach. (Gulf-Times.com)
- **Brookfield said to weigh stake purchase in Meraas retail venture** – Brookfield Asset Management Inc. is exploring a purchase of a stake in a new company that will hold some of Dubai property developer Meraas Holding's retail assets, sources said. The Canadian investment firm is considering putting as much as \$1bn in the venture, sources said. No final

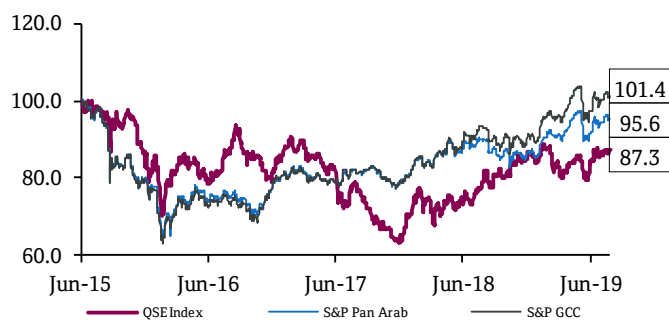
agreements have been reached and the discussions may not result in a deal, they said. A deal would be a vote of confidence in Dubai's economy, where growth is slowing and a decline in property prices has forced developers and construction firms to cut jobs and be more selective with their projects. (Bloomberg)

- **NBQ's net profit falls 2.9% YoY to AED103.7mn in 2Q2019** – National Bank of Umm Al-Qaiwain (NBQ) recorded net profit of AED103.7mn in 2Q2019, registering decrease of 2.9% YoY. Net interest income and income from Islamic products net of distribution to depositors rose 6.0% YoY to AED124.8mn in 2Q2019. Operating income rose 9.2% YoY to AED119.9mn in 2Q2019. Total assets stood at AED14.6bn at the end of June 30, 2019 as compared to AED14.7bn at the end of December 31, 2018. Loans and advances stood at AED8.6bn (-3.6% YTD), while customers' deposits stood at AED9.5bn (-2.9% YTD) at the end of June 30, 2019. EPS remained unchanged YoY at AED0.06. (ADX)
- **Abu Dhabi to raise \$109mn a year from new road toll** – Abu Dhabi, the oil rich capital of the UAE, expects to collect \$109mn a year from a road toll to be introduced on October 15, an official said. Abu Dhabi is going to start charging the toll after a prolonged period of lower oil prices during which a federal value added tax (VAT) of 5% has been introduced. "We expect AED400mn per annum of revenues from this and we expect to invest back," Acting Executive Director of surface transport at Abu Dhabi's Department of Transport, Ibrahim Sarhan Al-Hamoudi said. He said Abu Dhabi spends AED3-4bn a year on infrastructure and that the toll would help reduce congestion. Electronic toll gates will be placed on four bridges leading to Abu Dhabi city. "It is a new source of revenue for government-related entities and will support their spending on transport and infrastructure," Chief Economist at Abu Dhabi Commercial Bank, Monica Malik said. Abu Dhabi will be the second of the UAE's seven Emirates to have a road toll after Dubai, which introduced salik in 2007. (Reuters)
- **Abu Dhabi Securities Exchange issues new disclosure guidelines** – The Abu Dhabi Securities Exchange issued new environmental, social and governance disclosure guidelines for listed companies in an effort to improve corporate governance rules for regional and global investors. The exchange launched a set of 31 key performance indicators, aligned with ADX's strategy, which it stated is to support economic growth and provide a sustainable trading environment, according to a statement. Listed companies will be required to submit an independent report on sustainability, which provide a company's environmental, social and corporate disclosures. The reports are expected to be released by the end of 2019, according to the statement. (Bloomberg)
- **Burgan Bank reported net income of KD25.6mn in 2Q2019** – Burgan Bank reported net income of KD25.6mn in 2Q2019 as compared to KD30.1mn in 2Q2018, representing a fall of 15% YoY. The operating profit came in at KD38mn in 2Q2019 as compared to KD51.6mn in 2Q2018. The operating revenue came in at KD66mn in 2Q2019 as compared to KD78.7mn in 2Q2018. The bank stated that the underlying business trend continues to be similar to last year. (Bloomberg)
- **Careem partners with NBK to facilitate customer payment collections in Kuwait** – Careem and NBK (National Bank of

Kuwait) announced a new partnership that will see NBK manage the collection of Careem customer payments. Careem is the leading technology platform for the greater Middle East and has been operating its ride hailing service with taxis in Kuwait since 2017 and is the largest player in the market. Careem has changed the way people move around their cities, providing a safe, reliable service with transparent pricing. (Peninsula Qatar)

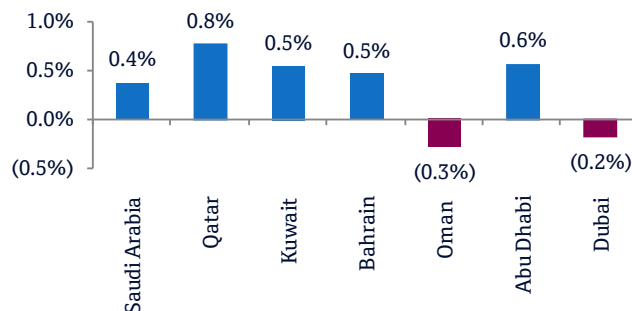
- **Oman issues \$3bn bonds out of nearly \$14bn in demand** – Oman raised \$3bn with its first foray in the international debt markets this year after receiving strong demand from global investors hunting for high returns in a low yield environment. Investors made orders worth nearly \$14bn for papers offered at a final yield of 4.95% for the long five-year bonds, due in February 2025, and 6% for the 10-year paper, according to a document issued by one of the banks leading the debt sale. That is below an initial price guidance of around 5.375% and 6.375% on Thursday. Oman issued \$750mn in 5-1/2 year and \$2.25bn in 10-year bonds, a separate document showed. Sources previously said that the bonds would likely be \$2bn in size and be used to cover part of Oman's budget deficit, estimated at nearly \$7.3bn this year. Oman's finances have been hurt by a slump in oil prices and the country is struggling to tame a widening fiscal deficit. The bond sale was seen as a test of Oman's ability to tap foreign debt markets after it was downgraded to junk status by all the three major rating agencies and comes amid favorable market conditions across emerging markets. "The low yield environment is a supportive theme. We have a rising number of negatively yielding securities and credits with attractive yield levels like Oman should get a boost," a Manager of emerging market corporate debt at Germany-based Union Investment, Sergey Dergachev said while the deal was marketed on Thursday. The initial price guidance put the new paper at a premium of around 30 basis points over Oman's existing debt curve, he said. Citi, JPMorgan and Standard Chartered have been hired to coordinate the transaction. The three banks are also book runners together with First Abu Dhabi Bank, MUFG, Natixis and Societe Generale. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,418.80	0.3	(0.5)	10.6
Silver/Ounce	16.39	(0.1)	1.2	5.8
Crude Oil (Brent)/Barrel (FM Future)	63.46	0.1	1.6	18.0
Crude Oil (WTI)/Barrel (FM Future)	56.20	0.3	1.0	23.8
Natural Gas (Henry Hub)/MMBtu	2.26	0.0	(0.4)	(29.1)
LPG Propane (Arab Gulf)/Ton	48.00	(1.3)	(5.0)	(24.4)
LPG Butane (Arab Gulf)/Ton	43.25	2.4	(7.5)	(38.2)
Euro	1.11	(0.2)	(0.8)	(3.0)
Yen	108.68	0.0	0.9	(0.9)
GBP	1.24	(0.6)	(0.9)	(2.9)
CHF	1.01	(0.3)	(1.2)	(1.2)
AUD	0.69	(0.6)	(1.9)	(2.0)
USD Index	98.01	0.2	0.9	1.9
RUB	63.35	0.2	0.5	(9.1)
BRL	0.26	0.0	(0.8)	2.8

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,215.71	0.4	1.0	17.6
DJ Industrial	27,192.45	0.2	0.1	16.6
S&P 500	3,025.86	0.7	1.7	20.7
NASDAQ 100	8,330.21	1.1	2.3	25.5
STOXX 600	390.73	0.2	(0.1)	12.4
DAX	12,419.90	0.4	0.3	14.3
FTSE 100	7,549.06	0.3	(0.4)	9.0
CAC 40	5,610.05	0.5	0.1	15.2
Nikkei	21,658.15	(0.5)	(0.0)	9.9
MSCI EM	1,048.66	(0.5)	(0.8)	8.6
SHANGHAI SE Composite	2,944.54	0.1	0.7	18.1
HANG SENG	28,397.74	(0.7)	(1.4)	10.1
BSE SENSEX	37,882.79	0.4	(1.2)	6.3
Bovespa	102,818.90	0.7	(1.3)	20.3
RTS	1,348.30	0.1	(0.2)	26.2

Source: Bloomberg (*\$ adjusted returns)

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