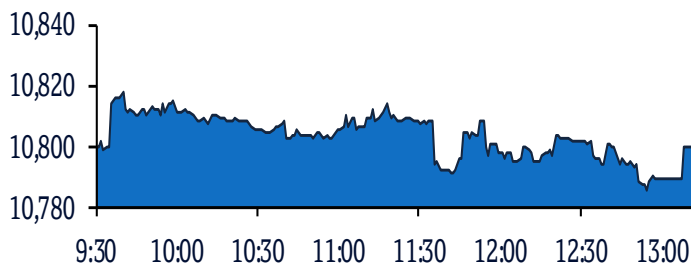


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.3% to close at 10,799.9. Losses were led by the Insurance and Industrials indices, falling 0.5% each. Top losers were Qatar Cinema & Film Distribution and Qatar General Ins. & Reins. Co., falling 3.5% and 1.9%, respectively. Among the top gainers, Investment Holding Group gained 1.5%, while QLM Life and Medical Insurance was up 1.2%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.3% to close at 11,001.0. Losses were led by the Telecommunication Services and REITs indices, falling 1.3% and 0.9%, respectively. United Co-Operative Assurance Co. declined 3.6%, while Alahli REIT Fund 1 was down 2.9%.

Dubai: The DFM Index fell marginally to close at 2,803.2. The Telecommunication index declined 1.6%, while the Services index fell 1.0%. Ajman Bank declined 3.8%, while Aan Digital Services Holding Co. was down 3.0%.

Abu Dhabi: The ADX General Index gained 0.7% to close at 6,995.3. The Inv. & Financial Services rose 2.9% while Consumer Staples indices was up 2.6%. Alpha Dhabi Holding rose 11.1%, while Gulf Pharmaceutical Ind. was up 6.9%.

Kuwait: The Kuwait All Share Index fell 0.4% to close at 6,377.8. The Technology index declined 8.7%, while the Financial Services index fell 1.5%. Automated Systems Co. declined 8.7%, while Real Estate Trade Centers Co. was down 7.4%.

Oman: The MSM 30 Index gained 0.1% to close at 4,102.8. Gains were led by the Services and Financial indices, rising 1.1% and 0.1%, respectively. Al Maha Petroleum Products Marketing Co. rose 8.0%, while Al Ahlia Insurance Company was up 7.6%.

Bahrain: The BHB Index gained marginally to close at 1,579.1. The Services index rose 0.2%, while the Commercial Banks index gained marginally. Khaleeji Commercial Bank rose 4.5%, while Bahrain Telecom Co. was up 0.3%.

QSE Top Gainers

	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	1.09	1.5	28,877.9	82.6
QLM Life and Medical Insurance	4.90	1.2	20.6	55.6
Qatari German Co for Med. Dev.	2.87	1.2	4,336.9	28.3
Qatar Islamic Insurance Company	8.00	0.6	207.6	15.9
Salam International Inv. Ltd.	0.98	0.3	23,941.0	49.8

QSE Top Volume Trades

	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	1.09	1.5	28,877.9	82.6
Salam International Inv. Ltd.	0.98	0.3	23,941.0	49.8
Mazaya Qatar Real Estate Dev.	1.12	(0.5)	10,883.1	(11.6)
Qatar Aluminum Manufacturing Co	1.53	0.0	6,091.6	58.0
Gulf International Services	1.50	(1.0)	5,289.0	(12.8)

Market Indicators

	05 Jul 21	04 Jul 21	%Chg.
Value Traded (QR mn)	269.2	324.0	(16.9)
Exch. Market Cap. (QR mn)	625,055.6	627,653.2	(0.4)
Volume (mn)	118.1	162.8	(27.4)
Number of Transactions	5,993	6,664	(10.1)
Companies Traded	47	46	2.2
Market Breadth	8:35	28:14	-

Market Indices

	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,378.95	(0.3)	(0.1)	6.6	18.3
All Share Index	3,421.56	(0.4)	(0.2)	6.9	18.9
Banks	4,502.62	(0.4)	(0.4)	6.0	15.7
Industrials	3,614.42	(0.5)	(0.0)	16.7	27.8
Transportation	3,414.68	0.0	0.3	3.6	22.0
Real Estate	1,808.75	(0.5)	1.0	(6.2)	17.1
Insurance	2,618.91	(0.5)	0.1	9.3	23.2
Telecoms	1,090.31	(0.1)	(0.7)	7.9	28.9
Consumer	8,126.38	(0.1)	0.1	(0.2)	27.3
Al Rayan Islamic Index	4,559.41	(0.3)	(0.0)	6.8	19.6

GCC Top Gainers###

	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Electricity Co.	Saudi Arabia	24.70	2.2	7,469.5	16.0
Banque Saudi Fransi	Saudi Arabia	39.40	2.1	335.7	24.7
Ahli Bank	Oman	0.11	1.8	34.3	(11.0)
Bupa Arabia for Coop. Ins	Saudi Arabia	128.00	1.7	194.6	4.7
Emaar Malls	Dubai	2.01	1.5	11,144.8	9.8

GCC Top Losers###

	Exchange	Close#	1D%	Vol. '000	YTD%
Gulf Bank	Kuwait	0.24	(2.8)	8,650.7	10.0
Saudi Telecom Co.	Saudi Arabia	129.20	(1.8)	1,031.8	22.9
Yanbu National Petro. Co.	Saudi Arabia	70.10	(1.7)	528.1	9.7
National Bank of Oman	Oman	0.20	(1.5)	25.0	21.9
Emaar Economic City	Saudi Arabia	12.44	(1.4)	4,542.0	35.1

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%
Qatar Cinema & Film Distribution	3.65	(3.5)	2.9	(8.7)
Qatar General Ins. & Reins. Co.	2.06	(1.9)	40.0	(22.6)
Doha Insurance Group	1.96	(1.5)	21.4	40.8
Mannai Corporation	3.83	(1.4)	106.5	27.5
Dlala Brokerage & Inv. Holding Co	1.58	(1.2)	769.7	(12.0)

QSE Top Value Trades

	Close*	1D%	Val. '000	YTD%
QNB Group	17.89	(0.6)	45,785.8	0.3
Investment Holding Group	1.09	1.5	31,843.9	82.6
Salam International Inv. Ltd.	0.98	0.3	23,322.8	49.8
The Commercial Bank	5.29	(0.2)	12,979.9	20.2
Qatari German Co for Med. Dev.	2.87	1.2	12,448.9	28.3

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*	10,799.85	(0.3)	(0.1)	0.6	3.5	73.07	168,515.0	18.3	1.6	2.7
Dubai	2,803.17	(0.0)	(0.5)	(0.3)	12.5	37.57	105,064.0	21.3	1.0	2.9
Abu Dhabi	6,995.32	0.7	1.4	2.3	38.6	338.35	270,802.9	23.8	2.0	3.5
Saudi Arabia	11,001.03	(0.3)	0.2	0.2	26.6	3,230.52	2,583,935.6	36.1	2.4	1.9
Kuwait	6,377.83	(0.4)	(0.2)	(0.1)	15.0	118.68	121,587.6	40.9	1.6	2.0
Oman	4,102.84	0.1	0.6	1.0	12.1	14.98	18,676.8	14.4	0.8	3.8
Bahrain	1,579.09	0.0	(0.6)	(0.6)	6.0	1.41	24,335.4	27.1	1.1	2.1

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

Qatar Market Commentary

- The QE Index declined 0.3% to close at 10,799.9. The Insurance and Industrials indices led the losses. The index fell on the back of selling pressure from Qatari, GCC and Arab shareholders despite buying support from foreign shareholders.
- Qatar Cinema & Film Distribution and Qatar General Ins. & Reins. Co. were the top losers, falling 3.5% and 1.9%, respectively. Among the top gainers, Investment Holding Group gained 1.5%, while QLM Life and Medical Insurance was up 1.2%.
- Volume of shares traded on Monday fell by 27.4% to 118.1mn from 162.8mn on Sunday. Further, as compared to the 30-day moving average of 171.1mn, volume for the day was 31.0% lower. Investment Holding Group and Salam International Inv. Ltd. were the most active stocks, contributing 24.4% and 20.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	38.21%	41.62%	(9,180,217.9)
Qatari Institutions	27.66%	25.82%	4,938,031.1
Qatari	65.86%	67.44%	(4,242,186.8)
GCC Individuals	0.61%	0.37%	642,954.1
GCC Institutions	2.22%	2.66%	(1,176,234.3)
GCC	2.83%	3.02%	(533,280.2)
Arab Individuals	13.42%	13.67%	(655,068.0)
Arab Institutions	0.00%	0.00%	–
Arab	13.42%	13.67%	(655,068.0)
Foreigners Individuals	2.62%	4.37%	(4,704,040.9)
Foreigners Institutions	15.27%	11.50%	10,134,575.9
Foreigners	17.89%	15.87%	5,430,535.0

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

Global Economic Data and Earnings Calendar

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/06	US	Markit	Markit US Services PMI	Jun	–	64.8	64.8
07/06	US	Markit	Markit US Composite PMI	Jun	–	–	63.9
07/06	US	Institute for Supply Management	ISM Services Index	Jun	–	63.5	64
07/05	UK	Markit	Markit/CIPS UK Services PMI	Jun	62.4	61.7	61.7
07/05	UK	Markit	Markit/CIPS UK Composite PMI	Jun	62.2	61.7	61.7
07/06	UK	ERROR	Markit/CIPS UK Construction PMI	Jun	–	64	64.2
07/05	EU	Markit	Markit Eurozone Services PMI	Jun	58.3	58	58
07/05	EU	Markit	Markit Eurozone Composite PMI	Jun	59.5	59.2	59.2
07/05	EU	Sentix Behavioral Indices	Sentix Investor Confidence	Jun	29.8	30	28.1
07/05	Germany	Markit	Markit Germany Services PMI	Jun	57.5	58.1	58.1
07/05	Germany	Markit	Markit/BME Germany Composite PMI	Jun	60.1	60.4	60.4
07/06	Germany	Markit	Markit Germany Construction PMI	Jun	–	--	44.5
07/05	France	INSEE National Statistics Office	Industrial Production MoM	May	-0.3%	0.8%	0.1%
07/05	France	INSEE National Statistics Office	Industrial Production YoY	May	20.5%	21.7%	44.2%
07/05	France	INSEE National Statistics Office	Manufacturing Production MoM	May	-0.5%	–	-0.1%
07/05	France	INSEE National Statistics Office	Manufacturing Production YoY	May	22.3%	26.0%	49.5%
07/05	France	Markit	Markit France Services PMI	Jun	57.8	57.4	57.4
07/05	France	Markit	Markit France Composite PMI	Jun	57.4	57.1	57.1
07/05	Japan	Markit	Jibun Bank Japan PMI Services	Jun	48	–	47.2
07/05	Japan	Markit	Jibun Bank Japan PMI Composite	Jun	48.9	–	47.8
07/05	China	Markit	Caixin China PMI Composite	Jun	50.6	–	53.8
07/05	China	Markit	Caixin China PMI Services	Jun	50.3	54.9	55.1
07/05	India	Markit	Markit India PMI Services	Jun	41.2	–	46.4
07/05	India	Markit	Markit India PMI Composite	Jun	43.1	–	48.1

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 2Q2021 results	No. of days remaining	Status
QNBK	QNB Group	11-Jul-21	5	Due
QFLS	Qatar Fuel Company	11-Jul-21	5	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	12-Jul-21	6	Due
MARK	Masraf Al Rayan	13-Jul-21	7	Due
VFQS	Vodafone Qatar	14-Jul-21	8	Due
QIBK	Qatar Islamic Bank	14-Jul-21	8	Due
QEWS	Qatar Electricity & Water Company	14-Jul-21	8	Due
KCBK	Al Khalij Commercial Bank	15-Jul-21	9	Due
NLCS	Aljarah Holding	15-Jul-21	9	Due
ABQK	Ahli Bank	15-Jul-21	9	Due
QIIK	Qatar International Islamic Bank	26-Jul-21	20	Due
DHBK	Doha Bank	27-Jul-21	21	Due
IHGS	INMA Holding Group	08-Aug-21	33	Due

Source: QSE

News

Qatar

- **QIIK to disclose its semi-annual financial results on July 26** – Qatar International Islamic Bank (QIIK) will disclose its financial statement for the period ending June 30, 2021 on July 26, 2021. (QSE)
- **QIBK to hold its investors relation conference call on July 26** – Qatar Islamic Bank (QIBK) will hold the conference call with the Investors to discuss the financial results for the semi-annual 2021 on July 26, 2021 at 01:00pm, Doha Time. (QSE)
- **IHGS to hold its investors relation conference call on August 10** – Inma Holding (IHGS) will hold the conference call with the Investors to discuss the financial results for the semi-annual 2021 on August 10, 2021 at 01:00pm, Doha Time. (QSE)
- **ORDS announces date to pay interest to bondholders** – Ooredoo (ORDS) announced that Ooredoo International Finance Limited (OIFL), its wholly-owned subsidiary, pursuant to the Terms and Conditions of the Notes and the Final Terms, will pay its Global Medium Term Note (GMTN) holders' interest payment on August 02, 2021. (Bloomberg, Press Release)
- **Qatar's PMI rebounds in June on back of faster growth of output, new orders and jobs** – The latest Purchasing Managers' Index (PMI survey data from IHS Markit signaled a stronger improvement in nonenergy private sector business conditions in Qatar at the end of the second quarter of 2021. Demand improved noticeably as new business rose at one of the fastest rates since the survey began in 2017, leading to the third-fastest increase in total activity on record. Employment increased at the strongest rate since January 2019, and backlogs continued a record sequence of continuous growth. The PMI remained above the no-change mark of 50.0 for the twelfth successive month in June, one month short of the survey-record sequence registered between August 2017 and August 2018 and indicated a sustained improvement in nonenergy private sector business conditions. Moreover, the PMI rose sharply from May's seven-month low of 51.5 to 54.6, the highest since March and the fifth-highest ever recorded. Over the second quarter as a whole the headline figure trended at 52.7, down from 54.0 in the first quarter but still well above the long-run average of 50.1. Sub-sector data for June signaled that manufacturing performed strongest (56.4), followed by wholesale & retail (54.8), construction (52.5) and services

(50.5). Over the first half of 2021 as a whole, manufacturing was also the strongest growing sector. (Bloomberg, Markit)

- **Qatar's Dukhan Bank hires banks for perpetual dollar Islamic bonds** – Qatar's Dukhan Bank has hired Standard Chartered as global coordinator for a planned sale of US dollar-denominated Additional Tier 1 Islamic bonds, a document showed. Citi, Credit Suisse, JPMorgan, KFH Capital, QInvest, QNB Capital and Societe Generale will join Standard Chartered in arranging investor calls starting on Monday, the document from one of the banks showed. An offering of unrated fixed rate resettable AT1 sukuk will follow, subject to market conditions. AT1 bonds, the riskiest debt instruments banks can issue, are designed to be perpetual in nature but issuers can call them in after a specified period. Dukhan's sukuk will be non-callable for five-and-a-half years. (Zawya)
- **PSA: Qatar automobile sector bullish in May** – Qatar's automobile sector displayed a bullish outlook in May this year mainly on almost tripled sales of new private vehicles and a robust double-digit growth in the registration of private transport vehicles, according to the official statistics. The registration of private vehicles shot up 196.6% YoY to 3,153 units this May. It witnessed a 2.4% monthly growth. Such vehicles constituted more than 67% of the total new vehicles registered in the country in the review period. Otherwise, the new vehicles registration stood at 4,695; representing a robust 150% YoY surge in the review period. However, it declined by a marginal 0.8% MoM in the review period. Of the new 4,695 vehicles registered this May, the registration of new private transport vehicles stood at 1,078; which constituted 22.9% of the total new vehicles. Such registrations saw an 89.1% increase YoY but shrank 4.2% MoM in May 2021. (Gulf-Times.com)
- **QIA subscribes to two convertible bonds of Credit Suisse** – The Qatar Investment Authority (QIA) subscribed to two convertible bonds of Credit Suisse Group AG, taking its holding to 6.005% (with note conversion in November 2021) ownership. This is after the sovereign wealth fund lowered its share ownership of Credit Suisse to about 4.8% of the Swiss bank. Credit Suisse raised US\$2bn earlier in 2021 from investors through the sale of notes. (Bloomberg)
- **ACTA and QFBA sign MoU** – The Administrative Control and Transparency Authority (ACTA) and the Qatar Finance and

Business Academy (QFBA) signed a Memorandum of Understanding (MoU) to provide annual training programs and advisory projects that benefit the authority and its target entities. ACTA President Hamad bin Nasser Al Misnad and Chief Executive Officer of QFBA Dr. Khalid Al Horr signed the MoU. According to the MoU, the two parties will implement several training programs and advisory projects that are presented annually to candidates targeted by the authority and its departments in the government sector, with a focus on any additional support to the authority and stakeholders to enhance their capabilities through training and consultations. (Peninsula Qatar)

- **AI-Kuwari meets head of Federal Department of Finance of Switzerland** – HE the Minister of Commerce and Industry and Acting Minister of Finance, Ali bin Ahmed al-Kuwari met on Monday with Ueli Maurer, head of the Federal Department of Finance of Switzerland. The meeting was attended by Daniela Stoffel, state secretary for International Finance; Edgar Doerig, ambassador of Switzerland to the State of Qatar; Herbert Scheidt, chairman, Swiss Bankers Associations; Thomas Gottstein, chief executive officer, Credit Suisse Group; Ralph Hamers, chief executive officer, UBS Group, and Philipp Rickenbacher, chief executive officer Julius Bar. The Qatari side was represented by Saud bin Abdulla al-Attiyah, deputy undersecretary of economic affairs, Ministry of Finance; Yousef al-Jaidah, chief executive officer, QFC; Sheikh Ali bin Al Waleed al-Thani, chief executive officer, IPA, and Sheikh Jassim bin Hamad al-Thani, chairman, QIB. During their meeting, the two discussed strengthening the bilateral relations as well as economic co-operation between the two countries. (Gulf-Times.com)
- **Qatar, Italy explore new avenues of cooperation** – Qatar and Italy enjoy an excellent relationship and the strong cooperation between the two countries is expanding to new areas, said Italy's Ambassador to Qatar, HE Alessandro Prunas, during the 6th Qatar Travel Mart (QTM) webinar entitled 'Italy: On Tourism, Destinations, and Recovery'. "Italy and Qatar enjoy an excellent relationship and we are preparing to welcome our Qatari friends back to Italy," the ambassador pointed out," highlighting these relations have been growing steadily in all sectors throughout the years. The very solid friendship and mutual trust that is built on people to people growing interaction but also on continuous high-level dialogue and deep economic cooperation. (Peninsula Qatar)
- **Preparations for hosting Qatar World Cup 2022 nearly complete** – Around 95% of the necessary preparations for hosting the upcoming Qatar World Cup FIFA 2022 has been accomplished and the country is set to produce an event that would be the pride of the world and the region, said Khalid Mohamed Al-Suwaidi, Stakeholder Relations Senior Manager at the Supreme Committee of Delivery and Legacy. He told Qatar TV on Monday that each of the preparatory events and championships ahead of the main event has an organizing committee that includes representatives from the entities concerned in the country including the Ministry of Public Health (MoPH) to adopt the necessary procedure for each event according to the latest updates to maintain the health and safety of all the participants and the fans. (Gulf-Times.com)
- **Malaysia, Qatar committed to enhancing bilateral trade, economic** – Malaysia and Qatar are committed to enhancing bilateral trade and economic ties, building on both countries' existing strong and vibrant relations. Senior Minister cum International Trade and Industry Minister Datuk Seri Mohamed Azmin Ali said Qatar was also keen to kickstart serious discussions on the Malaysia-Qatar travel bubble to boost tourism activities between the two nations. Mohamed Azmin tweeted today that he had a highly fruitful and engaging meeting with Qatar Prime Minister Sheikh Khalid bin Khalifa bin Abdulaziz Al

Thani. He said a broad spectrum of topics were discussed, including the COVID-19 pandemic, Malaysia-Qatar Joint Trade Committee (JTC), Malaysia-Qatar travel bubble, and bilateral trade and economic ties. "I was most encouraged by Sheikh Khalid's proposal to immediately resume the Malaysia-Qatar JTC meeting, as this is crucial to set in motion the operations and functions that would expedite our efforts to enhance bilateral trade and investment and fostering strategic business partnerships," he said. (Bloomberg)

- **Qatar Airways Cargo joins Pharma.Aero** – Qatar Airways Cargo has become a member of Pharma.Aero, a worldwide platform catered to excellence in pharma transportation, effective July 5. Both organizations share a common goal of achieving excellence in reliable end-to-end air transportation for pharma shippers. Through the membership, the airline will also participate in Pharma.Aero's board meetings and focus groups to contribute its expertise. The non-profit organization with its headquarters in Brussels, Belgium, brings added value for the shipper by placing them as strategic priorities of Pharma.Aero, providing insights into the capabilities of the air cargo industry, as well as facilitating direct collaboration with the different air cargo stakeholders in the supply chain. (Bloomberg)

International

- **PMI: Business is soaring for UK services firms, and so are prices** – The post-lockdown bounce-back for British services firms eased only slightly in June but price pressures jumped by the most on record, adding to signs of a further rise in inflation ahead, a survey showed on Monday. The IHS Markit/CIPS Purchasing Managers' Index for the sector edged down to 62.4 from 62.9 in May but was slightly higher than a preliminary June reading of 61.7. Job creation was the fastest for seven years but even so staff shortages contributed to the highest level of backlogs since the survey began in 1996. That in turn helped to push up prices by the most on record for inputs and prices charged. Britain's economy slumped by nearly 10% last year as the country suffered one of the world's highest COVID-19 death tolls. But this year it is expected to grow faster than the United States and other advanced economies, helped by its early COVID-19 vaccination rollout and huge monetary and fiscal stimulus. Despite the growth spurt and inflation running above its 2% target, the Bank of England has signaled it is in no rush to ease off on its support. It is waiting to see if unemployment rises as the government winds down its job subsidies over the next three months. IHS Markit said there was a small fall in exports due to travel restrictions and uncertainty about quarantine policies. Some firms also said Brexit-related issues had dampened export orders to the European Union. The composite PMI, including previously released manufacturing data, also eased back, slipping to 62.2 from May's 62.9 which was the highest reading since the series began in January 1998. (Reuters)
- **Sentix: Eurozone investor morale rises on upbeat services sector** – Investor morale in the euro zone rose for the fifth month in a row in July, its highest level since February 2018, lifted by reopening restaurants and retailers as well as tourism as coronavirus cases fall, a survey showed. Sentix's index for the euro zone climbed to 29.8 from 28.1 in June. A Reuters poll had pointed to a reading of 30.0. A current conditions index surged to 29.8 from 21.3. An expectations index eased to 29.8 from 35.3. "The massive investments by member states, supported by a continuously expansive monetary policy by the European Central Bank, stabilized the eurozone economy during lockdowns," said Sentix Managing Director Manfred Huebner. (Reuters)
- **Eurozone business activity soared in June as lockdowns lifted** – Eurozone businesses expanded activity at the fastest rate in 15 years in June as the easing of more coronavirus restrictions

brought life back to the bloc's dominant service industry, a survey showed on Monday. But that surge in growth has come at a cost as inflationary pressures mounted due to labor shortages and disruptions to supply chains caused by the pandemic. IHS Markit's final composite Purchasing Managers' Index (PMI), seen as a good gauge of economic health, jumped to 59.5 last month from May's 57.1, its highest level since June 2006. That was ahead of the 59.2 "flash" estimate and well above the 50 mark separating growth from contraction. An acceleration in vaccination programs on the continent has meant governments have allowed more of the services industry to re-open and the sector's PMI soared to its highest reading since July 2007. Activity in Germany's service industry grew in June at its fastest pace since March 2011 while in France the sector boomed following the easing of COVID-19 restrictions. Meanwhile, in Britain - outside the euro zone and the European Union - the post-lockdown bounce-back for services firms eased only slightly in June but price pressures jumped by the most on record. (Reuters)

- **Japan's May household spending growth slows from previous month** – Japan's household spending rose at a double-digit rate in May as consumers bought cars and mobile phones, though the pace of growth slowed from the prior month as a new wave of COVID-19 infections weighed on consumer confidence. Japan's economy is struggling to shake off the drag from the coronavirus pandemic after the government put in place "quasi-emergency" measures in Tokyo and other major areas to curb a resurgence of infections. Household spending grew 11.6% YoY in May, the third month of gains, after a 13.0% rise in April, government data showed on Tuesday. That was stronger than a median market forecast for a 10.9% gain in a Reuters poll. But the gains were heavily skewed by the recoil effect from last year's plunge, when the pandemic and a nationwide state of emergency shuttered businesses and disrupted day to day life. Stripping out big-ticket items like housing, cars and gifts, household spending was up 8.9% year-on-year, but down 6.5% compared to the same month two years earlier - a sign the recovery is taking time to bed in. (Reuters)
- **IHS Markit: Brazil PMIs show fastest service sector growth since 2013** – Private sector business activity in Brazil roared back to life in June, a purchasing managers' survey showed on Monday, driven by the fastest pace of growth in the dominant services sector in more than eight years. Services sector new business orders, new exports and employment led the way, indicating that Latin America's largest economy is set for solid growth in the second half of the year. IHS Markit's headline Brazil services PMI jumped to 53.9 from 48.3 in May, the fastest expansion since January 2013. This helped pull the composite PMI including manufacturing up to 54.6 in June from 49.2, the highest since October. A PMI reading above 50.0 signals expansion, and a reading below shows contraction. Services account for around 70% of all economic activity in Brazil. According to survey participants, the upturn stemmed from the easing of some COVID-19 restrictions, vaccine progress and new business growth. The services employment index rose to 52.0 from 48.9, the highest since January last year. The composite employment index across manufacturing and services rose to 52.9 from 49.9, the highest since February 2012. The services new business orders index rose, but inflationary pressures also rose, with the prices charged index reaching the third-highest reading since data collection started in March 2007, IHS Markit said. (Reuters)
- **Russia's economic recovery faces COVID-19, inflation headwinds** – Russia's economy has been recovering robustly in the past few months, a boon for authorities ahead of elections, but an abrupt surge in COVID-19 cases and the need to raise interest rates to combat inflation are challenging further growth.

After shrinking 3% in 2020, its sharpest contraction in 11 years, the Russian economy was on the mend thanks to a rebound in consumer demand and high prices for oil, its key export, prompting a series of upgrades to its economic outlook. The central bank expects the economy to grow 3-4% this year, despite its three rate increases aimed at reining in stubbornly high inflation. But an expected fourth rate hike, to at least 6% in July, and prospects of even more expensive lending could take its toll on business activity. The economy reached its pre-pandemic level by the middle of this year, when Russia took a hit from a new surge in COVID-19 cases blamed on a new highly-infectious Delta variant. Having offered free vaccination in late 2020 and nearly returned to normal life in 2021, with cafes and gyms open as usual and many people working from offices, Moscow reported a record 9,120 daily increase in COVID-19 cases on June 19. The city of more than 12mn people responded with mandatory vaccination for a wide group of citizens. This model was adopted by other regions that also imposed wider restrictions, sparking wide public discontent ahead of the September parliament elections. In the second quarter of 2020, when lockdowns and other COVID-19 restrictions were in place, real disposable incomes in Russia plunged by the most in 20 years and the economy shrank 9.6%. (Reuters)

Regional

- **OPEC+ abandons oil policy meeting after Saudi-UAE clash** – OPEC+ ministers called off oil output talks on Monday after clashing last week when the UAE balked at a proposed eight-month extension to output curbs, meaning no deal to boost production has been agreed. Saudi Energy Minister, Prince Abdulaziz bin Salman on Sunday called for "compromise and rationality" to secure a deal after two days of failed discussions last week. But on Monday, four OPEC+ sources said there had been no progress and talks were called off, without a new date being set. The failure to agree on Monday means an expected increase in oil output from August will not take place, the sources said, helping to drive up international benchmark Brent crude, which was trading around 1% higher at close to \$77 a barrel. Oil prices are at the highest since 2018 and have already prompted concerns inflation could derail a global recovery from the pandemic. OPEC+ agreed record output cuts of almost 10mn bpd last year, about 10% of world output, as the pandemic hit. They have been gradually relaxed and stand at about 5.8mn bpd. (Reuters)
- **Green finance in MENA region hits \$6.4bn in 1H2021** – Green and sustainability-linked debt issuance in the MENA region reached \$6.4bn in the first half of 2021, already exceeding the total for the whole of last year, according to Bloomberg's 1H2021 Capital Markets League Tables. The bulk of this increase can be attributed to the Red Sea Development green loan which stood at around \$3.8bn, the tables showed. The proceeds from such debt have been used in real estate, project finance, refinancing and general corporate purposes. Banks in the MENA region are increasing their capabilities and infrastructure to provide green financing. The MENA region saw its first sustainability-linked loan to refinance existing debt, issued by Emirates NBD for \$1.75bn in March 2021, its first Swiss-franc denominated green bond, issued by FAB for \$282mn in January 2021, and first Chinese Yuan-denominated green bond, issued by FAB for \$23mn in June 2021. With regards to local currency issuances, Red Sea Development secured the SR14.1bn green loan in March 2021, the report said. (Zawya)
- **GCC to have 62mn 5G mobile subscriptions by 2026 end** – Ericsson projects that there will be 62mn 5G mobile subscriptions in the GCC by 2026. GCC 5G subscriptions will account for the second highest 5G market penetration globally and will constitute almost three quarters of all mobile subscriptions in the region.

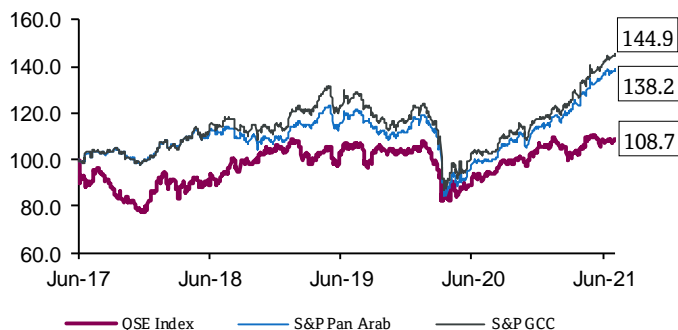
Additionally, 5G mobile subscriptions will exceed 580 million globally by the end of 2021, driven by an estimated one million new 5G mobile subscriptions every day. The forecast, which features in the twentieth edition of the Ericsson Mobility Report, enhances the expectation that 5G will become the fastest adopted mobile generation. (Peninsula Business)

- **Biden administration pushes for 'compromise solution' in OPEC+ talks** – The Biden administration is pushing for a “compromise solution” installed OPEC+ oil output talks, a White House spokesperson said on Monday. “The United States is closely monitoring the OPEC+ negotiations and their impact on the global economic recovery from the COVID-19 pandemic,” the White House spokesperson said in a statement. “We are not a party to these talks, but Administration officials have been engaged with relevant capitals to urge a compromise solution that will allow proposed production increases to move forward.” (Reuters)
- **Saudi non-oil sector employment rises amid steady growth** – Saudi Arabia's non-oil private sector continued to expand in June at a fast rate and job creation rose to a 19-month high, a survey showed, as the largest Arab economy recovers from the coronavirus crisis. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) stood at 56.4 in June, unchanged from May, maintaining its fastest pace of growth since January. An increase in new orders, the fastest in five months, boosted business activity, reflecting the easing of coronavirus-related restrictions. Input prices continued to increase but at a slower rate than in May, suggesting that inflationary pressures may have peaked. “Demand growth in the Saudi Arabian non-oil sector ramped up again in June, with the latest data signaling the strongest rise in sales since January,” Economist at IHS Markit, David Owen said. (Reuters)
- **Saudi Arabia amends import rules from Gulf in challenge to UAE** – Saudi Arabia has amended its rules on imports from other Gulf Cooperation Council countries to exclude goods made in free zones or using Israeli input from preferential tariff concessions, in a bid to challenge the UAE' status as the region's trade and business hub. Despite being close allies, Saudi Arabia and the neighboring UAE are competing to attract investors and businesses. Saudi Arabia - the biggest importer in the region - is trying to diversify its economy and reduce its dependence on oil, while providing more jobs for its own citizens, a point also covered by the rule changes announced at the weekend. The two countries' national interests have increasingly diverged, such as in their relations with Israel and Turkey. They have also faced off in the last few days about a proposed OPEC+ deal to raise oil output. Saudi Arabia will henceforth exclude from the GCC tariff agreement goods made by companies with a workforce made up of less than 25% of local people and industrial products with less than 40% of added value after their transformation process. (Reuters)
- **Saudi Arabia to invest over \$133.34bn in transport sector, minister says** – Saudi Arabia will invest over \$133.34bn in airports, seaports, rail and other infrastructure by the end of the decade in a bid to make the kingdom a global transportation and logistics hub, its transport minister said on Monday. Crown Prince Mohammed bin Salman, who is pushing economic diversification to wean Saudi Arabia off oil revenues and create jobs, announced a transport and logistics drive, of which few details have been released publicly, last Tuesday. Minister of Transport and Logistic Services, Saleh bin Nasser al-Jasser said at an event in Saudi Arabia that the strategy included many mega projects, with over SR500bn earmarked for investment. The strategy is the latest economic policy to put Riyadh in competition with the UAE, the region's business, trade and tourism hub. (Reuters)
- **UAE non-oil private sector growth weakens as pandemic impact lingers** – The UAE' non-oil private sector expanded for a seventh consecutive month in June, though at a pace slightly lower than in May as coronavirus measures continued to hamper business activity, a business survey showed. The seasonally adjusted IHS Markit UAE Purchasing Managers' Index (PMI), which covers manufacturing and services, edged down to 52.2 in June from 52.3 in April, hitting a four-month low. Output growth was unchanged due to raw material shortages while new order growth weakened as export sales fell sharply amid flight cancellations and other COVID-19-related measures. Prices were driven up by supply problems, with purchase costs rising to their highest in three months. “Business conditions continued to improve at only a gradual pace in June, adding evidence to a mixed initial recovery from COVID-19 in the UAE non-oil sector”, Economist at IHS Markit, David Owen said. “Firms often mentioned that material shortages had hampered output growth, while new sales were curtailed by travel restrictions.” Still, sustained growth in new business led firms to hire workers in June. Employment rose for the first time in five months and at a rate which, though only marginal, was the fastest since January 2019. (Reuters)
- **Abu Dhabi cancels AED10.8bn airport terminal contract, sources say** – Abu Dhabi's state-owned airport operator has cancelled a contract with a consortium which was building a AED10.8bn terminal at the emirate's main airport, four sources told Reuters. The group, which comprises UAE-based Arabtec, Turkey's TAV Insaat and Athens-based Consolidated Contractors Company (CCC), were awarded the contract in 2012 to build the Midfield Terminal Building at Abu Dhabi International Airport. One of the sources said state-owned Abu Dhabi Airports cancelled the contract after the group over ran project costs. (Reuters)
- **Abu Dhabi real estate firm, owned by ruling family, in dollar Sukuk sale** – The Private Department of Sheikh Mohamed Bin Khalid Al Nahyan LLC (PD), a relatively small real estate player in Abu Dhabi owned by members of its ruling family, has hired banks for a debut sale of US dollar-denominated Sukuk, or Islamic bonds, a document showed on Monday. The company, which owns a portfolio that is focused 90% in the United Arab Emirates capital with the rest in neighboring Dubai, hired Emirates NBD Capital and First Abu Dhabi Bank as global coordinators. Abu Dhabi Commercial Bank, Dubai Islamic Bank and Mashreq will join them in arranging investor calls starting on Monday, the document from one of the banks showed. A five-year sukuk sale will follow, subject to market conditions. Proceeds will fund capital expenditure and acquisitions, S&P said in a report. (Reuters)
- **Oman state energy firm OQ may sell drilling business, sources say** – Oman state energy company OQ is considering selling its drilling unit Abraj Energy Services, sources said, as the Gulf nation seeks to shore up its finances that have been hit by the coronavirus pandemic and last year's oil price plunge. The potential sale of the midstream firm is part of a broader divestment plan by OQ, sources said. Deliberations were at an early stage and OQ could decide to make only a partial exit by floating the company on the Omani stock exchange, one of the sources said. Abraj, which was originally slated in 2015 for a partial divestment via an initial public offering (IPO), also did not respond to a request for comment. Oman, rated sub-investment grade by all major credit rating agencies, has struggled in recent years to tame widening deficits and faces large debt maturities in the next few years. Last year it launched a new fiscal plan to wean itself off its dependence on revenues from crude. (Reuters)
- **Oman's state energy company seeks \$1.5bn in financing** – Energy Development Oman (EDO), a relatively new state company, is in talks with banks to raise \$1.5bn in debt financing,

two sources said. EDO was established late last year to take ownership of Oman's largest oil block called Block 6 and to help raise debt. "EDO is looking to raise around \$1.5bn," one of the sources close to the matter told Reuters. The source said the financing could be in the form of a loan. The financing is to help fund capital expenditure, a second source familiar with the plan said. Block 6 is Oman's largest oil and gas operation, according to energy consulting firm Wood Mackenzie. The company is working with JPMorgan on its financing plan the sources said, adding that there is strong interest from lenders in the UAE to be part of the deal. (Reuters)

- **Omani transport group Asyad weighs strategic stake sale in shipping unit** – Oman's state-owned transport group Asyad is weighing the sale of a strategic stake in its subsidiary Oman Shipping Company (OSC), sources said. Asyad has asked banks to pitch for a mandate to help it review a potential deal in which Asyad could divest up to 40% of its ownership, said two sources, who declined to be named as the matter was not public. Asyad, owned by the Oman Investment Authority, the country's sovereign fund, did not immediately respond to a request for comment on Monday. Oman Shipping Company also did not respond to a request for comment. OSC focuses on transportation of liquefied natural gas (LNG) cargoes to the international market, according to information on its website, with a fleet that includes very large crude carriers, product and chemical tankers, and bulk carriers. The company lists Global energy trader Vitol, Brazilian miner Vale, and Global commodities trader Trafigura, and energy firms BP and Royal Dutch Shell among its customers and partners. (Reuters)
- **Oman sells OMR146mn 28-day bills at yield of 0.652%** – Oman sold OMR146mn of 28-day bills due on August 4. The bills were sold at a price of 99.95, have a yield of 0.652% and will settle on July 7. (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 2.72x** – Bahrain sold BHD70mn of 91-day bills due on October 6. Investors offered to buy 2.72 times the amount of securities sold. The bills were sold at a price of 99.635, have a yield of 1.45% and will settle on July 7. (Bloomberg)
- **Bahrain May consumer prices fall 0.3% YoY** – Bahrain's consumer prices fell 0.3% YoY in May, according to the Bahrain Central Informatics Organisation. (Bloomberg)

Rebased Performance

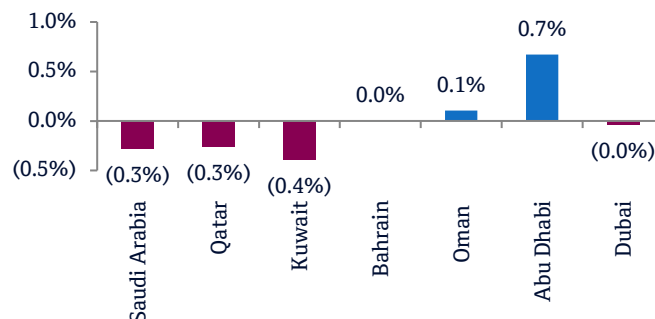


Source: Bloomberg

Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,791.77	0.3	0.3	(5.6)
Silver/Ounce	26.48	0.0	0.0	0.3
Crude Oil (Brent)/Barrel (FM Future)	77.16	1.3	1.3	49.0
Crude Oil (WTI)/Barrel (FM Future)	75.16	0.0	0.0	54.9
Natural Gas (Henry Hub)/MMBtu	3.30	0.0	0.0	38.1
LPG Propane (Arab Gulf)/Ton	111.75	0.0	0.0	48.5
LPG Butane (Arab Gulf)/Ton	123.75	0.0	0.0	78.1
Euro	1.19	(0.0)	(0.0)	(2.9)
Yen	110.97	(0.1)	(0.1)	7.5
GBP	1.38	0.1	0.1	1.3
CHF	1.08	(0.2)	(0.2)	(4.1)
AUD	0.75	0.1	0.1	(2.1)
USD Index	92.21	(0.0)	(0.0)	2.5
RUB	73.47	0.3	0.3	(1.3)
BRL	0.20	(0.7)	(0.7)	2.0

Daily Index Performance



Source: Bloomberg

Source: Bloomberg (*\$ adjusted returns, #Market was closed on July 05, 2021)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,049.84	0.1	0.1	13.4
DJ Industrial#	34,786.35	-	-	13.7
S&P 500#	4,352.34	-	-	15.9
NASDAQ 100#	14,639.33	-	-	13.6
STOXX 600	458.36	0.5	0.5	11.5
DAX	15,661.97	0.3	0.3	10.3
FTSE 100	7,164.91	1.0	1.0	12.6
CAC 40	6,567.54	0.4	0.4	14.8
Nikkei	28,598.19	(0.4)	(0.4)	(3.0)
MSCI EM	1,354.47	(0.1)	(0.1)	4.9
SHANGHAI SE Composite	3,534.32	0.6	0.6	2.8
HANG SENG	28,143.50	(0.6)	(0.6)	3.2
BSE SENSEX	52,880.00	1.1	1.1	8.9
Bovespa	126,920.10	(0.8)	(0.8)	8.8
RTS	1,664.55	0.3	0.3	20.0

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