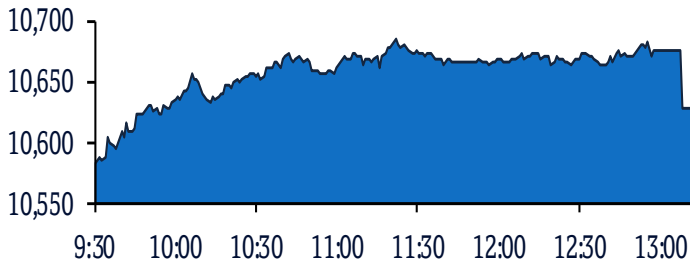


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.2% to close at 10,628.3. Gains were led by the Industrials and Consumer Goods & Services indices, gaining 1.6% and 0.4%, respectively. Top gainers were Investment Holding Group and Salam International Inv. Ltd., rising 9.9% and 6.8%, respectively. Among the top losers, Qatari Investors Group fell 1.9%, while Qatar National Cement Company was down 1.2%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.2% to close at 10,471.6. Gains were led by the Pharma, Biotech & Life Science and Health Care Equipment & Svc indices, rising 2.2% and 1.6%, respectively. Nama Chemicals Co. rose 9.9%, while Tabuk Agricultural Development Co. was up 6.5%.

**Dubai:** The DFM Index gained 1.0% to close at 2,825.2. The Banks index rose 2.3%, while the Investment & Financial Services index gained 1.3%. Al Ramz Corp. Investment and Dev. rose 12.6%, while Dubai National Insurance was up 4.8%.

**Abu Dhabi:** The ADX General Index fell 1.0% to close at 6,564.3. The Banks index declined 1.8%, while the Telecommunication index fell 1.1%. Union Insurance Co. declined 10.0%, while Fujairah Cement Industries was down 9.9%.

**Kuwait:** The Kuwait All Share Index fell 0.5% to close at 6,241.2. The Technology index declined 4.0%, while the Insurance index fell 2.3%. Al Bareaq Holding declined 10.7%, while Real Estate Trade Centers Co. was down 8.7%.

**Oman:** The MSM 30 Index fell marginally to close at 3,836.3. Losses were led by the Industrial and Financial indices, falling 0.6% and 0.2%, respectively. Al Ahlia Insurance Company declined 5.9%, while National Life & General Insurance Co. was down 5.0%.

**Bahrain:** The BHB Index gained 0.1% to close at 1,539.0. The Industrial index rose 0.9%, while the Investment index gained marginally. Aluminum Bahrain rose 0.9%, while GFH Financial Group was up 0.6%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	1.14	9.9	41,220.4	90.2
Salam International Inv. Ltd.	1.02	6.8	116,142.2	56.7
Dlala Brokerage & Inv. Holding Co.	1.75	3.9	9,259.8	(2.8)
Qatar Oman Investment Company	1.06	3.4	11,496.7	19.2
Aamal Company	1.00	3.4	14,683.3	17.2

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	1.02	6.8	116,142.2	56.7
Investment Holding Group	1.14	9.9	41,220.4	90.2
Mazaya Qatar Real Estate Dev.	1.16	0.3	19,279.8	(8.5)
Qatar Aluminum Manufacturing Co	1.64	0.4	17,856.3	69.7
Aamal Company	1.00	3.4	14,683.3	17.2

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,628.25	0.2	(0.6)	(2.6)	1.8	148.69	167,068.3	18.0	1.6	2.8
Dubai	2,825.22	1.0	2.7	8.4	13.4	88.69	105,381.7	21.2	1.0	2.9
Abu Dhabi	6,564.31	(1.0)	0.7	8.6	30.1	399.93	256,019.7	22.3	1.9	4.0
Saudi Arabia	10,471.55	0.2	1.3	0.5	20.5	2,501.49	2,568,711.7	34.4	2.3	2.0
Kuwait	6,241.17	(0.5)	(0.8)	2.1	12.5	166.67	119,198.7	39.5	1.6	2.2
Oman	3,836.28	(0.0)	(0.8)	2.0	4.9	6.36	17,267.1	11.4	0.7	4.7
Bahrain	1,538.96	0.1	0.1	3.6	3.3	2.89	23,654.1	26.4	1.0	2.2

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	26 May 21	25 May 21	%Chg.
Value Traded (QR mn)	551.3	409.4	34.7
Exch. Market Cap. (QR mn)	617,399.5	616,430.4	0.2
Volume (mn)	293.8	152.0	93.2
Number of Transactions	12,182	10,458	16.5
Companies Traded	47	46	2.2
Market Breadth	27:18	33:11	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,039.26	0.2	(0.6)	4.9	18.0
All Share Index	3,376.85	0.1	(0.7)	5.5	18.8
Banks	4,429.43	(0.3)	(1.4)	4.3	15.4
Industrials	3,524.96	1.6	1.0	13.8	27.1
Transportation	3,370.93	(0.1)	(0.8)	2.2	22.5
Real Estate	1,871.58	(0.2)	(0.5)	(3.0)	17.7
Insurance	2,645.10	0.3	(0.9)	10.4	23.7
Telecoms	1,069.06	(0.5)	(1.0)	5.8	28.4
Consumer	8,158.71	0.4	(0.1)	0.2	28.6
Al Rayan Islamic Index	4,582.55	0.3	(0.5)	7.3	19.7

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Sulaiman Medical Serv.	Saudi Arabia	160.00	5.5	576.7	46.8
Emirates NBD	Dubai	13.60	4.6	2,421.3	32.0
Jabal Omar Dev. Co.	Saudi Arabia	34.00	2.7	6,817.5	16.8
Banque Saudi Fransi	Saudi Arabia	36.20	2.7	1,805.3	14.6
Industries Qatar	Qatar	12.68	2.6	2,578.6	16.7

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
First Abu Dhabi Bank	Abu Dhabi	16.50	(2.4)	19,314.3	27.6
Saudi National Bank	Saudi Arabia	53.30	(1.5)	4,708.8	23.0
Mouwasat Medical Serv.	Saudi Arabia	192.40	(1.2)	407.5	39.4
Emirates Telecom. Group	Abu Dhabi	21.92	(1.1)	2,846.2	32.2
ADNOC Distribution	Abu Dhabi	4.85	(1.0)	16,249.4	29.3

Source: Bloomberg (# in Local Currency) (## GCC Top gainers/losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatari Investors Group	2.65	(1.9)	7,251.5	46.3
Qatar National Cement Company	5.03	(1.2)	16.5	21.1
Al Khaleej Takaful Insurance Co.	4.20	(1.0)	185.7	121.3
Mannai Corporation	3.67	(0.8)	304.2	22.3
QNB Group	17.37	(0.7)	3,787.9	(2.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Salam International Inv. Ltd.	1.02	6.8	115,980.1	56.7
QNB Group	17.37	(0.7)	66,141.4	(2.6)
Investment Holding Group	1.14	9.9	45,712.0	90.2
Industries Qatar	12.68	2.6	32,688.3	16.7
Qatar Aluminum Manufacturing	1.64	0.4	29,278.6	69.7

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index rose 0.2% to close at 10,628.3. The Industrials and Consumer Goods & Services indices led the gains. The index rose on the back of buying support from Qatari, GCC and Arab shareholders despite selling pressure from Foreign shareholders.
- Investment Holding Group and Salam International Inv. Ltd. were the top gainers, rising 9.9% and 6.8%, respectively. Among the top losers, Qatari Investors Group fell 1.9%, while Qatar National Cement Company was down 1.2%.
- Volume of shares traded on Wednesday rose by 93.2% to 293.8mn from 152.0mn on Tuesday. Further, as compared to the 30-day moving average of 249.0mn, volume for the day was 18.0% higher. Salam International Inv. Ltd. and Investment Holding Group were the most active stocks, contributing 39.5% and 14.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	47.59%	44.66%	16,134,918.0
Qatari Institutions	11.35%	13.74%	(13,160,883.0)
<b>Qatari</b>	<b>58.94%</b>	<b>58.40%</b>	<b>2,974,035.0</b>
GCC Individuals	0.41%	0.60%	(1,021,296.6)
GCC Institutions	1.36%	0.82%	2,955,920.0
<b>GCC</b>	<b>1.77%</b>	<b>1.42%</b>	<b>1,934,623.4</b>
Arab Individuals	16.12%	15.17%	5,231,355.9
Arab Institutions	0.03%	0.00%	174,350.0
<b>Arab</b>	<b>16.16%</b>	<b>15.17%</b>	<b>5,405,705.9</b>
Foreigners Individuals	4.04%	4.63%	(3,233,659.5)
Foreigners Institutions	19.10%	20.39%	(7,080,704.8)
<b>Foreigners</b>	<b>23.14%</b>	<b>25.01%</b>	<b>(10,314,364.4)</b>

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

## Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05/26	US	Mortgage Bankers Association	MBA Mortgage Applications	21-May	-4.2%	-	1.2%
05/26	France	INSEE National Statistics Office	Consumer Confidence	May	97	97	95
05/26	Japan	Bank of Japan	PPI Services YoY	Apr	1.0%	0.9%	0.7%

Source: Bloomberg (s.a. = seasonally adjusted; n.s.a. = non-seasonally adjusted; w.d.a. = working day adjusted)

## News

### Qatar

- QAMC's joint venture 'Qatalum' signs agreement with General Electric to generate more sustainable and secure power** – Qatar Aluminum Manufacturing Company (QAMC), announced that QAMC's 50% owned joint venture 'Qatalum' signed an agreement with General Electric (GE) to provide five Advanced Gas Path (AGP) upgrade sets, maintenance services for a period of 15 years for equipment at its power plant and a suite of cyber-security solutions. The innovative AGP Gas Turbine solution is expected to enhance Qatalum's power output and improve plant efficiency, while increasing the availability of its gas turbines and lowering operational expenses by increasing the interval between their planned maintenance cycles. Importantly, the AGP solution will also reduce carbon dioxide emissions. The 15-year maintenance service agreement is an extension of the maintenance services agreement for the GE equipment at the Qatalum power plant, which has been maintained by GE since the plant was set up in 2010. GE will also provide a comprehensive suite of cyber-security solutions for a period of five years to address external and internal risks, including application and network security, data protection, change management, incident handling and response, data privacy, identity management and more. (QSE)
- S&P: Qatar's government deficit-to-GDP ratio is expected to be lowest in GCC** – Qatar is slated to have the least government debt as a proportion of the GDP in the GCC, where the annual issuance is expected to be \$50bn amidst financing needs of \$355bn in 2021-24, according to Standard and Poor's (S&P), a global credit rating agency. Doha's government deficit is expected to be 1% of GDP, Oman (4%), Saudi Arabia (5%), Bahrain and the UAE (6%) and Kuwait (20%), S&P said in a report that focused on the central government balance, since it

is usually the largest part of governments' funding requirements. Expecting the aggregate GCC government deficit to fall sharply to about \$80bn in 2021 (5% of GDP) from \$143bn in 2020 (10% of GDP), it said nevertheless, the still high GCC sovereign deficits would result in continued balance sheet deterioration in most cases. Estimating that the government deficits to reach about \$355bn cumulatively between 2021 and 2024; the rating agency said about 60% of this relates to Saudi Arabia, the GCC's largest economy, followed by Kuwait with 25%, the UAE with 7%, and Oman with 4%. (Gulf-Times.com)

- Minister discusses ways to boost Qatar-WTO cooperation** – Minister of Commerce and Industry and Acting Minister of Finance, HE Ali bin Ahmed Al Kuwari, met yesterday with Director-General of the World Trade Organization (WTO) HE Dr. Ngozi Okonjo-Iweala, through video conferencing. The discussions focused on methods to increase Qatari-WTO cooperation as well as strategies to support and promote it. During the meeting, the Minister praised the WTO Secretariat's efforts in carrying out Qatar's third trade policy review and expressed gratitude for the Secretariat's efforts in obtaining positive results through this process and allowing the State of Qatar to continue to meet its commitments. He noted that Qatar regards the WTO as one of the key pillars of connection and communication with diverse Member States, emphasizing the importance of working and cooperating together to keep the Organization as one of the world's key institutions. He also highlighted at the meeting that Qatar's continuing and dedicated participation in the WTO will contribute to the country's economic and social stability. Simultaneously, he stated that Qatar will continue to view its trade policy as one of the most important components in accomplishing its economic development goals. (Peninsula Qatar)

- **Qatar aims to attract global ESG sensitive investments** – Qatar based panelists shed light on the opportunities and challenges in the field of ESG (Environmental, Social, and Governance) across the GCC banking sector. During the 'Banking on ESG' webinar organized by KPMG, they discussed whether it is a short-term phenomenon or will be here for long-term. In Qatar and the western region, we have seen a lot of activities around governance in last couple of years with new regulations and laws coming into play not only in banking sector but also in listed companies. COVID-19 has acted as a catalyst to speed up the adoption of ESG. Director and Head of Product and Marketing Development at QSE, Mohsin Mujtaba said: "ESG is very much on the agenda as ESG is capital driven agenda in Qatar and globally. If banks do not provide ESG disclosures to their investors and do not incorporate ESG practices in their operations, they will start to lose investment capital from the investors and that will drive the need for change of behavior. The sooner the banks embark on this journey the better it is. As for Qatar we do recognize we will not be the largest market in the region, but we want to be the investment destination of choice for ESG sensitive investments globally. (Peninsula Qatar)
- **Real estate trading volume exceeds QR447mn last week** – The total value of real estate transactions in the sales contracts registered with the Real Estate Registration Department of the Ministry of Justice between May 16 to 20, was QR447,286,477. The types of real estate traded included plots of land, houses, apartment buildings, residential complex, multi-use plots and commercial buildings. Most of the trading took place in the municipalities of Al Wakrah, Al Daayen, Doha, Al Rayyan, Doha, Al Khor, Al Dhakira, Umm Salal and Al Shamal. (Gulf-Times.com)
- **PwC, Microsoft join forces to accelerate digital transformation** – PwC and Microsoft are putting into effect their global alliance to accelerate digital transformation and cloud adoption in Qatar. The collaboration offers combined business insights and latest technology to help businesses across sectors increase their performance and resilience in pursuit of their digital transformation ambitions. Country Senior Partner and Consulting Leader at PwC Qatar, Bassam Hajhamad added: "As a leading Microsoft global partner with over 200 certified experts in the region, PwC leverages the power of Microsoft Azure, Dynamics 365 and Microsoft 365 to unlock potentials and use data to enable business transformation and solve our client's most important problems. This partnership results in a unique opportunity for the government, public and private entities and enterprises in Qatar to embark on their digital transformation journey with a trusted leader providing strategy-to-execution advisory services coupled with a familiar and easy-to-use technology and tool set from Microsoft." (Peninsula Qatar)
- **Cabinet nod for first phase of lifting of curbs from tomorrow** – The Cabinet which met with Prime Minister and Minister of Interior, HE Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani in the chair announced that the first phase of gradual lifting of restrictions will begin from tomorrow, May 28. This decision is in line with an earlier announcement by the Supreme Committee for Crisis Management that the country will be opened in four phases. In this announcement, the Cabinet approved that government and private institutions and businesses will continue to work at half the capacity while the others work from home, except military, security and the health sector. The Cabinet also approved the opening of several sectors at 30% with many requiring vaccinated employees and customers to operate. (Peninsula Qatar)
- **QFFD financed projects worth \$530mn in 2020** – Qatar Fund for Development (QFFD) announced yesterday that it funded

projects worth more than \$530mn during 2020 through humanitarian and development aid, which were distributed over several essential sectors, namely education, health, economic empowerment, infrastructure, and climate change. This came in the Fund's annual report for 2020, in which it reviewed the continuation of its efforts in support of development and relief issues in developing countries. (Peninsula Qatar)

- **QA to resume Málaga route from July 2** – The key holiday destination of Málaga returns to Qatar Airways' route network as Spain begins to ease travel restrictions for tourists. Málaga is a firm favorite with holidaymakers around the world, and fully vaccinated travelers will soon be able to visit once again whilst also enjoying Qatar Airways' award-winning hospitality and service. Qatar Airways Group Chief Executive, HE Akbar Al Baker, said: "As the world begins to open up again, we at Qatar Airways stand ready to take the lead in supporting the global economic and social recovery as demonstrated by our support for tourism in Spain. Spain has always been a strategically important country for our airline, as reflected by our deep partnership with Iberia and steady rebuild of our Spain network.
- **Ashghal to construct region's largest electric charging station** – As part of the state's strategy to shift to clean energy, the Public Works Authority (Ashghal) has announced the beginning of installing 653 electric chargers and 713 inverters at 41 charging sites under construction for the Public Bus Infrastructure Programme. The facilities will serve the fleet of electric buses to operate according to the plan set by Ministry of Transport and Communications. Ashghal will build various electrical charging points inside and outside Doha and provide all electrical utilities and other necessary infrastructure to connect chargers with electrical transformers and power stations. Ashghal will construct the largest electric charging station in the region. High-efficiency solar cell shades will be established containing 10,720 solar panels that will generate 4 megawatts power per day. They will work alongside traditional sources (power station) to feed the energy needed to operate the project with highest standards and latest specifications. The station will also have 217 double gun electric charging devices for buses with a capacity of 150 kilowatts, in addition to five electric fast chargers for buses with a capacity of 300 kilowatts. (Qatar Tribune)
- **Lulu set to open region's biggest store in Bu Sidra** – Hypermarket giant LuLu Group is all set to open the region's biggest and largest hypermarket in Qatar, the Group's top official in the country has said. In an interview with Qatar Tribune recently, Lulu Group International Director, Mohamed Althaf said, "LuLu Group is going to open its biggest and the largest hypermarket in the region in the Bu Sidra area of Qatar. It's almost ready and we are expected to open it for the public in the next couple of months." Besides being the largest and the biggest in the region, Althaf said, the Bu Sidra hypermarket will have a number of new features making it one of the most developed and modern hypermarkets in the country. (Qatar Tribune)

#### International

- **US says looking at Quad meeting in fall focused on infrastructure** – The US is looking to convene an in-person fall summit of leaders of the Quad countries - Australia, India and Japan - with a focus on infrastructure in the face of the challenge from China, President Joe Biden's Indo-Pacific policy coordinator said on Wednesday. Kurt Campbell said other countries were welcome to work with the Quad, which held a first virtual summit in March and pledged to work closely on COVID-19 vaccines, climate and security. "We want to look this fall to convene an in-person Quad and the hope will be to make a similar kind of engagement on infrastructure more generally,"



Campbell told an online event hosted by Stanford University. "And I do want to underscore ... this is not a fancy club. If there are other countries that believe that they'd like to engage and work with us, the door will be open as we go forward," Campbell said. (Reuters)

- **US Mortgage applications decreased 4.2% from one week earlier** – US Mortgage applications decreased 4.2% from one week earlier, according to data from the Mortgage Bankers Association's (MBA) Weekly Mortgage Applications Survey for the week ending May 21, 2021. The Market Composite Index, a measure of mortgage loan application volume, decreased 4.2% on a seasonally adjusted basis from one week earlier. On an unadjusted basis, the Index decreased 4% compared with the previous week. The Refinance Index decreased 7% from the previous week and was 9% lower than the same week one year ago. The seasonally adjusted Purchase Index increased 2 percent from one week earlier. The unadjusted Purchase Index increased 1% compared with the previous week and was 4% lower than the same week one year ago. (MBA)
- **Japan cuts economic view in May on spending downgrade** – Japan slashed its overall economic view for the first time in three months in its economic report for May due to the impact on consumption and business conditions from a coronavirus state of emergency in major areas of the country. Authorities also repeated a warning to pay sufficient attention to the downside risk a resurgence in COVID-19 infections poses to the economic outlook. "The economy shows increased weakness in some parts, though it continued picking up amid severe conditions due to the coronavirus," the government said in the report. The government cut its assessment of the overall economy for the second time this year, after also doing so in February, which was its first downgrade in 10 months. Among its key economic elements, authorities lowered their view of private consumption, which makes up more than half of GDP. The government said private consumption was showing weakness especially centered on services spending, which was a notch lower than the previous assessment, when it said it remained weak. (Reuters)
- **Japan ruling party executive calls for \$239bn extra budget** – Japan's government is expected to compile an extra budget in October or November, senior ruling party lawmaker, Kojo Yamamoto said on Wednesday, calling for spending of around \$239bn to cushion the economic blow from the COVID-19 pandemic. Yamamoto, a political heavyweight close to former Prime Minister, Shinzo Abe, also urged the Bank of Japan to ramp up asset buying to weaken the yen further and help the export-reliant economy. "The BOJ must do more because Japan appears to be sliding back to deflation. Instead, the BOJ is stealth tapering asset purchases," Yamamoto told Reuters in an interview. "The BOJ should seek to weaken the yen more" by boosting government bond purchases and looking for new assets to buy such as municipal and foreign bonds, he said. (Reuters)
- **China's industrial profits growth slows in April amid high commodity prices** – Earnings at China's industrial firms grew at a slower pace in April, with high commodity prices and weaker performance in the consumer goods sector limiting overall profitability from manufacturing. Profits at China's industrial firms rose 57% year-on-year in April to 768.63bn Yuan, down from 92.3% in March, data from the National Bureau of Statistics (NBS) showed on Thursday. For the January-April period, industrial firms' profits grew 106% from the same period a year earlier to 2.59tn Yuan. "The improvement of corporate performance is still uneven," said NBS official Zhu Hong in a statement accompanying the data. "The profitability of some consumer goods industries has not yet recovered to pre-

epidemic levels; coupled with the high prices of bulk commodities, this has increased the pressure on the production and operation of midstream and downstream industries." Chemical products and metals processing firms recorded some of the highest year-on-year profit increases over the first four months, according to NBS data, recovering from the COVID-19-induced slump in economic activity in the same period last year. (Reuters)

- **World Bank says Russia's economic recovery gaining pace** – The World Bank has lifted its forecasts for 2021 economic growth in Russia, noting signs of improvement in the labor market, but said planned fiscal consolidation may hamper the expansion, the global body said on Wednesday. After shrinking by 3% in 2020 under pressure from the COVID-19 pandemic and a drop in oil prices, the Russian economy is on track to rebound this year amid a global roll-out of vaccines and recovering demand. In a new report, the World Bank said it now expects Russia's gross domestic product to grow by 3.2% in 2021 and at the same pace in 2022 versus 2.9% and 3.2%, respectively, that it forecast in March. "This is the baseline scenario of gradual decline in new COVID-19 infections," the World Bank said in a report. The World Bank said Russia has space for a more gradual fiscal consolidation than planned, warning of pronounced output losses from a decline in government spending. Even though Russia's economic contraction in 2020 was the deepest in 11 years, Russia performed better than the world economy that shrank by 3.8%. (Reuters)

#### Regional

- **S&P: Gulf 2021 deficits to fall to \$80bn on higher oil** – Budget deficits of the six GCC countries are expected to drop sharply this year, supported by higher oil prices, fiscal consolidation and a rebound in economic output as coronavirus measures are eased, S&P Global Ratings said. The aggregate deficits of the central governments of the GCC are expected at about \$80 billion this year from \$143bn in 2020, S&P said in a report on Wednesday. "Nevertheless, still-high GCC central government deficits will result in continued balance sheet deterioration in most cases," S&P said. But it noted that, with the exception of Kuwait and Bahrain, the countries' budgetary performance was stronger than in 2016 - the prior oil price crash. The Gulf was hammered by the double shock of a historic crash in oil prices last year as well as the economic impact of the coronavirus pandemic and related health safety measures. Higher oil prices, while supportive for GCC sovereign ratings, have in the past derailed consolidation reforms and therefore led to higher spending or delays in planned fiscal reforms, S&P said. "Many Gulf states have shown spending restraint in response to the double external shocks of 2020 (and some) have also made inroads to diversifying their government revenue streams away from hydrocarbons," S&P said. Saudi Arabia tripled a value-added tax last year to boost state finances hurt by the coronavirus crisis and lower oil revenues, while Oman introduced VAT for the first-time last month. "We expect fiscal deficits will reduce over 2021-2022 and widen again in 2023-2024 given our oil price assumptions, as well as the gradual tapering of oil production cuts in line with the May 2021 OPEC+ agreement," the ratings agency said. (Reuters)
- **Saudi oil exports in March rise to SR52.3bn** – The value of Saudi Arabia's oil exports in March rose by 75% YoY to SR52.3bn, official data showed on Wednesday. Non-oil exports increased by 42.9% to SR22.4bn, the General Authority for Statistics said. Crude exports accounted for 70% of total exports, it said. Saudi Arabia, the world's top oil exporter, suffered last year as the pandemic hit energy demand and therefore its state coffers. The value of monthly oil exports

however started increasing late last year and in January topped SR53bn, as oil prices recovered. China remained Saudi Arabia's main trading partner in March, with exports amounting to SR14.3bn and imports of SR9.4bn, the statistics authority said. (Reuters)

- **Saudi Arabia's exports increase 64% in March** – Saudi Arabia's overall merchandise exports grew by 64% to SR74.7bn in March 2021 from SR45.6bn in the same month last year, according to official data on Wednesday. The annual increase mainly resulted from oil exports, which surged by 75% or SR22.4bn last March. During the month, oil exports represented 70% of Saudi Arabia's overall exports, compared with 65.6% in March 2020. On a monthly basis, the overall exports increased by 13.6% or SR8.9bn when compared to February. (Zawya)
- **Saudi Jeddah port eyes overseas deals after wealth fund backing** – The operator of Saudi Arabia's Red Sea Gateway Terminal (RSGT) is looking to invest in ports in Africa and the Middle East, following backing from the kingdom's sovereign wealth fund. The RSGT plans to invest in at least three international ports in the next five years, with each investment totaling as much as \$500mn, port Chief, Jens Floe said. It is also aiming to spend up to \$1.7bn developing its main port in Jeddah on the Red Sea, as well as potentially investing in other Saudi ports. Saudi Arabia's Public Investment Fund and Cosco Shipping Ports bought a stake in RSGT in January, valuing the port operator at about \$880mn. The wealth fund is leading a strategy to turn the kingdom into a transport and logistics hub and support local companies looking to export products. The pandemic has also led to a renewed focus on food security in the region, where the desert environment means many countries rely on agricultural imports. "Adding Cosco and PIF as shareholders will really accelerate our domestic and our international growth plans," Floe said in an interview. He said investments may come in rail and dry ports, and emerging market terminals in "less mature and less organized ports." (Gulf-Times.com)
- **Saudi Arabia to resume tourist visas very soon, official says** – Saudi Arabia plans to resume tourist visas very soon after suspending them months ago because of the coronavirus, a Saudi official said Wednesday. The Kingdom is also working with other Middle Eastern and European nations on a unified protocol to facilitate travel, the official said, speaking on condition of anonymity to discuss plans that have not been made public. Encouraging foreign tourism is a key factor in the Kingdom's efforts to reduce its reliance on oil. In September 2019, it threw open its borders after having long been one of the hardest countries in the world to visit unless coming on a pilgrimage. It wants the sector to contribute 10% of gross domestic product by 2030, but the virus has crimped those plans. After limiting incoming tourism in February 2020, authorities suspended all incoming and outgoing travel to try to contain the virus's spread. (Bloomberg)
- **Commercial Bank of Dubai's outlook remains Negative by Moody's** – Commercial Bank of Dubai's outlook remains negative by Moody's. (Bloomberg)
- **ADNOC raises \$1.64bn with exchangeable bonds, distribution unit shares** – Abu Dhabi National Oil Company (ADNOC) said it raised \$1.64bn by issuing exchangeable bonds and additional shares to investors in its listed retail unit ADNOC Distribution on Wednesday. It issued about \$1.2bn in senior unsecured bonds due in 2024, with a 0.7% annual coupon, exchangeable into existing common shares of ADNOC Distribution. Alongside the transaction, ADNOC offered 375mn shares in ADNOC Distribution to eligible institutional investors through a book building process. The combined offering was placed at a blended price of AED4.82 per share, ADNOC said in

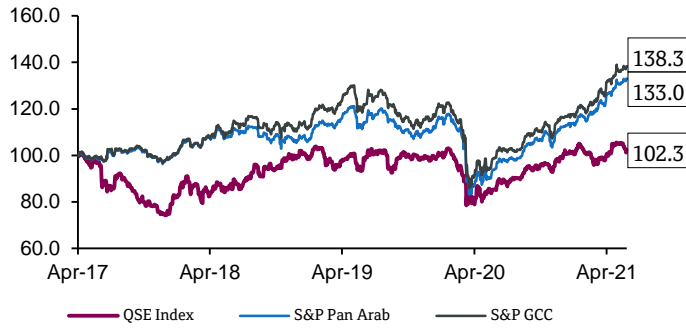
a statement, adding that it was covered in less than one hour and that there was significant demand from regional and international investors. The deal could increase the free float of ADNOC Distribution to 30% assuming the exchangeable bonds are exchanged and settled in shares, it said. The exchangeable bonds were issued at an issue price of 100% and will be exchangeable into existing shares at an exchange price of AED5.01 under certain conditions, it added. This will enable "ADNOC to further unlock and monetize significant value from its assets, whilst also increasing the free float of ADNOC Distribution, boosting liquidity in its shares and diversifying its shareholder base," the company had said in an earlier statement. (Reuters)

- **Fitch rates ADNOC's upcoming senior unsecured exchangeable bonds 'AA(EXP)'** – Fitch Ratings has assigned Abu Dhabi National Oil Company's (ADNOC) upcoming exchangeable bonds an expected senior unsecured 'AA(EXP)' rating. The bonds are rated in line with ADNOC's Long-Term Issuer Default Rating (IDR) of 'AA', which has a Stable outlook, as they will rank pari passu with all unsecured and unsubordinated obligations of the issuer. The bonds are exchangeable at the option of the bondholders, and ADNOC has the right to either deliver shares in ADNOC Distribution (listed on the Abu Dhabi Securities Exchange) or to pay a cash alternative amount. Fitch will treat the exchangeable bonds as 100% debt. The final rating is contingent on the receipt of final documents conforming materially to information already provided. ADNOC is the national oil company of the Emirate of Abu Dhabi (AA/Stable) and one of the largest oil producers globally. Its 'AA' IDR is constrained by the sovereign's due to the strong ties between the company and the emirate, in line with Fitch's Government-Related Entities (GRE) Rating Criteria and Parent and Subsidiary Linkage (PSL) Rating Criteria. Fitch assesses ADNOC's Standalone Credit Profile (SCP) at 'aa+', which reflects the company's high upstream production and vast oil reserves; very low cost of production; integration into downstream operations; conservative financial policies and low leverage. (Bloomberg)
- **Abu Dhabi Islamic Bank funds Rasmala's UK property acquisition** – Abu Dhabi Islamic Bank (ADIB) has provided structured Islamic financing worth GBP28.6mn to Rasmala Long Income Fund to support its acquisition of a supermarket investment in the UK. The property, which was constructed in 2012, is leased to supermarket chain Tesco Stores Limited. The 25-year lease has nearly 16 years remaining and yields a rent of GBP1.46mn per annum which is subject to five yearly index-linked upwards only rent reviews, according to ADIB. Rasmala Long Income Fund has a diversified portfolio of real estate assets covering the UK, Europe and North America with a current net asset value in excess of \$250mn. The fund is managed by Rasmala Investment Bank Limited which is regulated by the Dubai Financial Services Authority. Rasmala Long Income Fund was advised by Eversheds and ADIB was advised by CMS Cameron McKenna Nabarro Olswang LLP and Collas Crill. (Zawya)
- **Agthia to join MSCI Small Cap EM Index** – Abu Dhabi-based food and beverage company Agthia said on Wednesday it will join Morgan Stanley Capital International's (MSCI) Small Cap Emerging Markets index from May 27. The disclosure was made to the Abu Dhabi Securities Exchange, where its stock trades. The index includes small cap companies across 27 emerging markets countries. With 2,334 constituents, it covers approximately 29% of the free float-adjusted market capitalization in each country, as of April 30, 2021. (Zawya)
- **IHC unit completes acquisition of Murban Energy Limited** – Alpha Dhabi Holding, a unit of International Holding Co. (IHC),

has completed acquisition of privately-owned Murban Energy Limited. Based in Abu Dhabi, Murban Energy is an investment company primarily involved in the hospitality sector with an estimated value of approximately AED1.7bn, according to statement. (Bloomberg)

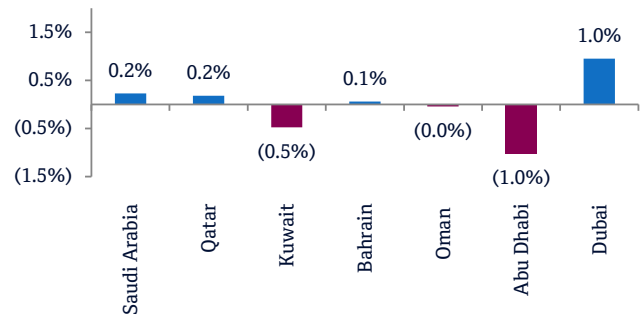
- **Bahrain sells BHD35mn 182-day bills; bid-cover at 3.62x –** Bahrain sold BHD35mn 182-day bills due on November 28. Investors offered to buy 3.62 times the amount of securities sold. The bills were sold at a price of 99.162, have a yield of 1.67% and will settle on May 30. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,896.67	(0.1)	0.8	(0.1)
Silver/Ounce	27.68	(1.1)	0.4	4.8
Crude Oil (Brent)/Barrel (FM Future)	68.87	0.3	3.7	33.0
Crude Oil (WTI)/Barrel (FM Future)	66.21	0.2	4.1	36.5
Natural Gas (Henry Hub)/MMBtu	2.88	1.4	2.9	20.5
LPG Propane (Arab Gulf)/Ton	87.00	1.2	5.8	15.6
LPG Butane (Arab Gulf)/Ton	93.63	6.1	8.6	34.7
Euro	1.22	(0.5)	0.1	(0.2)
Yen	109.15	0.3	0.2	5.7
GBP	1.41	(0.2)	(0.2)	3.3
CHF	1.11	(0.3)	(0.0)	(1.5)
AUD	0.77	(0.1)	0.1	0.6
USD Index	90.04	0.4	0.0	0.1
RUB	73.50	(0.0)	(0.2)	(1.2)
BRL	0.19	0.4	1.0	(2.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,969.51	0.1	0.9	10.4
DJ Industrial	34,323.05	0.0	0.3	12.1
S&P 500	4,195.99	0.2	1.0	11.7
NASDAQ 100	13,738.00	0.6	2.0	6.6
STOXX 600	445.22	(0.3)	0.5	11.3
DAX	15,450.72	(0.4)	0.4	11.8
FTSE 100	7,026.93	(0.2)	(0.0)	12.5
CAC 40	6,391.60	(0.3)	0.4	14.9
Nikkei	28,642.19	0.1	1.1	(1.2)
MSCI EM	1,351.95	0.5	1.6	4.7
SHANGHAI SE Composite	3,593.36	0.6	3.8	5.7
HANG SENG	29,166.01	0.9	2.5	7.0
BSE SENSEX	51,017.52	0.8	1.1	7.3
Bovespa	123,989.20	1.0	2.0	1.6
RTS	1,590.58	0.6	1.3	14.6

Source: Bloomberg (\*\$ adjusted returns)

## Contacts

### QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

[info@qnbfs.com.qa](mailto:info@qnbfs.com.qa)

Doha, Qatar

### Saugata Sarkar, CFA, CAIA

Head of Research

[saugata.sarkar@qnbfs.com.qa](mailto:saugata.sarkar@qnbfs.com.qa)

### Shahan Keushgerian

Senior Research Analyst

[shahan.keushgerian@qnbfs.com.qa](mailto:shahan.keushgerian@qnbfs.com.qa)

### Mehmet Aksoy, PhD

Senior Research Analyst

[mehmet.aksoy@qnbfs.com.qa](mailto:mehmet.aksoy@qnbfs.com.qa)

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