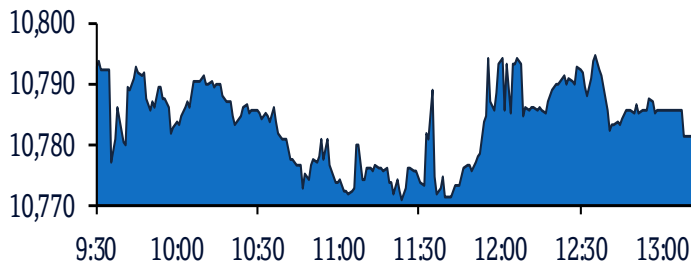


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.2% to close at 10,781.4. Losses were led by the Transportation and Insurance indices, falling 0.6% and 0.4%, respectively. Top losers were Qatar Navigation and Qatari Investors Group, falling 2.0% and 1.4%, respectively. Among the top gainers, Qatar General Ins. & Reins. Co. gained 1.8%, while Qatari German Co. for Med. Devices was up 1.5%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.3% to close at 10,971.2. Losses were led by the Pharma, Biotech & Life Science and Health Care Equipment & Svc indices, falling 1.8% and 1.0%, respectively. Theeb Rent a Car Co. declined 2.7%, while Arabian Pipes Co. was down 2.5%.

Dubai: The DFM Index fell 0.7% to close at 2,782.7. The Telecommunication index declined 1.2%, while the Banks index fell 1.0%. Al Mazaya Holding Company declined 10.0%, while Ithmaar Holding was down 9.9%.

Abu Dhabi: The ADX General Index fell 0.1% to close at 6,984.9. The Banks index declined 0.6%, while the Telecommunication index fell 0.4%. Abu Dhabi Natl Co. for Building Materials declined 8.2%, while Fujairah Cement Industries was down 2.5%.

Kuwait: The Kuwait All Share Index fell 0.5% to close at 6,348.9. The Consumer Discretionary index and the Financial Services index fell 0.8% each. Manazel Holding declined 9.6%, while MENA Real Estate Co. was down 6.1%.

Oman: The MSM 30 Index gained 0.5% to close at 4,121.5. Gains were led by the Financial and Services indices, rising 0.6% each. Al Hassan Engineering Company rose 25.0%, while Global Financial Investments was up 6.0%.

Bahrain: The BHB Index fell 0.3% to close at 1,573.8. The Hotels & Tourism index declined 1.2%, while the Commercial Banks index fell 0.5%. GFH Financial Group declined 2.4%, while Gulf Hotels Group was down 1.6%.

Market Indicators	06 Jul 21	05 Jul 21	%Chg.
Value Traded (QR mn)	241.4	269.2	(10.3)
Exch. Market Cap. (QR mn)	623,726.5	625,055.6	(0.2)
Volume (mn)	84.0	118.1	(28.9)
Number of Transactions	5,756	5,993	(4.0)
Companies Traded	46	47	(2.1)
Market Breadth	20:22	8:35	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,342.45	(0.2)	(0.2)	6.4	18.2
All Share Index	3,416.81	(0.1)	(0.3)	6.8	18.9
Banks	4,497.80	(0.1)	(0.5)	5.9	15.7
Industrials	3,612.41	(0.1)	(0.1)	16.6	27.8
Transportation	3,394.24	(0.6)	(0.3)	2.9	21.8
Real Estate	1,806.61	(0.1)	0.9	(6.3)	17.1
Insurance	2,608.37	(0.4)	(0.3)	8.9	23.1
Telecoms	1,088.90	(0.1)	(0.8)	7.7	28.9
Consumer	8,115.98	(0.1)	0.0	(0.3)	27.2
Al Rayan Islamic Index	4,554.97	(0.1)	(0.1)	6.7	19.5

GCC Top Gainers###	Exchange	Close#	1D%	Vol. '000	YTD%
Rabigh Refining & Petro.	Saudi Arabia	25.10	4.1	6,552.2	81.6
Saudi Electricity Co.	Saudi Arabia	25.60	3.6	12,018.6	20.2
Bank Muscat	Oman	0.44	2.3	698.4	22.3
Saudi Arabian Mining Co.	Saudi Arabia	65.70	2.2	812.8	62.2
Bank Nizwa	Oman	0.10	2.0	575.5	4.2

GCC Top Losers###	Exchange	Close#	1D%	Vol. '000	YTD%
Almarai Co.	Saudi Arabia	60.80	(1.9)	319.6	10.7
Co. for Cooperative Ins.	Saudi Arabia	80.90	(1.7)	197.8	1.5
Gulf Bank	Kuwait	0.24	(1.7)	14,229.4	8.2
Abu Dhabi Commercial	Abu Dhabi	6.81	(1.6)	3,054.7	9.8
Saudi British Bank	Saudi Arabia	31.10	(1.6)	684.8	25.8

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	2.10	1.8	15.5	(21.2)
Qatari German Co for Med. Dev.	2.91	1.5	6,557.7	30.2
Al Khaleej Takaful Insurance Co.	4.72	0.9	172.7	148.8
Gulf International Services	1.51	0.9	2,652.0	(12.0)
Medicare Group	8.87	0.8	117.4	0.4

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.97	(0.9)	12,741.1	48.4
Qatar Aluminum Manufacturing Co	1.52	(0.9)	9,798.5	56.7
Investment Holding Group	1.10	0.6	8,822.5	83.8
Mazaya Qatar Real Estate Dev.	1.11	(1.1)	8,771.7	(12.5)
Qatari German Co for Med. Dev.	2.91	1.5	6,557.7	30.2

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Navigation	7.35	(2.0)	118.7	3.6
Qatari Investors Group	2.45	(1.4)	822.4	35.4
Ezdan Holding Group	1.63	(1.1)	2,681.8	(8.2)
Qatar Insurance Company	2.45	(1.1)	175.1	3.6
Mazaya Qatar Real Estate Dev.	1.11	(1.1)	8,771.7	(12.5)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	17.83	(0.3)	46,914.1	0.0
Qatari German Co for Med. Dev.	2.91	1.5	19,133.5	30.2
Ooredoo	7.42	(0.5)	18,058.0	(1.3)
Industries Qatar	13.41	(0.1)	15,067.0	23.4
Qatar Aluminum Manufacturing	1.52	(0.9)	14,893.5	56.7

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*	10,781.41	(0.2)	(0.2)	0.5	3.3	65.50	168,343.8	18.2	1.6	2.7
Dubai	2,782.69	(0.7)	(1.2)	(1.0)	11.7	56.88	104,503.5	21.1	1.0	2.9
Abu Dhabi	6,984.89	(0.1)	1.2	2.2	38.4	352.11	270,720.4	23.7	2.0	3.5
Saudi Arabia	10,971.21	(0.3)	(0.1)	(0.1)	26.3	2,832.41	2,582,333.5	36.0	2.4	1.9
Kuwait	6,348.94	(0.5)	(0.6)	(0.6)	14.5	131.13	121,115.7	40.9	1.6	2.0
Oman	4,121.52	0.5	1.0	1.4	12.6	8.74	18,775.8	14.5	0.8	3.8
Bahrain	1,573.77	(0.3)	(0.9)	(0.9)	5.6	1.75	23,417.2	21.5	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 0.2% to close at 10,781.4. The Transportation and Insurance indices led the losses. The index fell on the back of selling pressure from Qatari and foreign shareholders despite buying support from GCC and Arab shareholders.
- Qatar Navigation and Qatari Investors Group were the top losers, falling 2.0% and 1.4%, respectively. Among the top gainers, Qatar General Ins. & Reins. Co. gained 1.8%, while Qatari German Co for Med. Devices was up 1.5%.
- Volume of shares traded on Tuesday fell by 28.9% to 84.0mn from 118.1mn on Monday. Further, as compared to the 30-day moving average of 167.3mn, volume for the day was 49.8% lower. Salam International Inv. Ltd. and Qatar Aluminum Manufacturing Co. were the most active stocks, contributing 15.2% and 11.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	36.25%	36.75%	(1,194,737.0)
Qatari Institutions	25.02%	28.11%	(7,452,224.8)
Qatari	61.27%	64.86%	(8,646,961.8)
GCC Individuals	0.74%	0.64%	252,602.4
GCC Institutions	7.64%	0.74%	16,659,579.1
GCC	8.38%	1.37%	16,912,181.4
Arab Individuals	12.53%	10.70%	4,417,582.8
Arab Institutions	0.00%	0.00%	-
Arab	12.53%	10.70%	4,417,582.8
Foreigners Individuals	2.74%	4.56%	(4,406,867.9)
Foreigners Institutions	15.08%	18.51%	(8,275,934.6)
Foreigners	17.82%	23.07%	(12,682,802.5)

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
06-07	US	Markit	Markit US Services PMI	Jun	64.6	64.8	64.8
06-07	US	Markit	Markit US Composite PMI	Jun	63.7	-	63.9
06-07	US	Institute for Supply Management	ISM Services Index	Jun	60.1	63.5	64
06-07	UK	Markit	Markit/CIPS UK Construction PMI	Jun	66.3	64	64.2

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	4	Due
QFLS	Qatar Fuel Company	11-Jul-21	4	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	12-Jul-21	5	Due
MARK	Masraf Al Rayan	13-Jul-21	6	Due
VFQS	Vodafone Qatar	14-Jul-21	7	Due
QIBK	Qatar Islamic Bank	14-Jul-21	7	Due
QEWS	Qatar Electricity & Water Company	14-Jul-21	7	Due
MCGS	Medicare Group	15-Jul-21	8	Due
KCBK	Al Khalij Commercial Bank	15-Jul-21	8	Due
NLCS	Aljarah Holding	15-Jul-21	8	Due
ABQK	Ahli Bank	15-Jul-21	8	Due
QIIK	Qatar International Islamic Bank	26-Jul-21	19	Due
DHBK	Doha Bank	27-Jul-21	20	Due
IHGS	INMA Holding Group	08-Aug-21	32	Due

Source: QSE

Qatar

- **QNCD plans to raise foreign ownership to 100%** – Qatar National Cement Company (QNCD) announced that the company's board of directors has recommended approving the increase in the percentage of non-Qatari ownership to 100% of the company's capital, after the approval of the regulatory authorities, in line with the stated directions of the state. The date of the extraordinary general assembly meeting will be set to approve the recommendation, after obtaining the necessary approvals, in accordance with the provisions of the applicable laws and regulations in the State of Qatar. (QSE)
- **MCGS to disclose its semi-annual financial results on July 15** – Medicare Group Company (MCGS) will disclose its financial statement for the period ending June 30, 2021 on July 15, 2021. (QSE)
- **QEWS to hold its investors relation conference call on July 15** – Qatar Electricity & Water Company (QEWS) will hold the conference call with the Investors to discuss the financial results for the Semi-Annual 2021 on July 15, 2021 at 12:30pm, Doha Time. (QSE)
- **BLDN eyes Ethiopian market** – Baladna (BLDN) has expressed interest to invest in Ethiopia. Officials at the Ethiopian Embassy in Qatar visited the company, one of the largest dairy producers in that country, spreading over an area of 2.4mn square meters. It has a capacity to house up to 24,000 cows in a comfortable and well-conditioned environment, allowing them to reach their production capacity comfortably. (Bloomberg)
- **Al Meera boosts eco-friendly efforts** – Al Meera Consumer Goods Company (Al Meera) distributed over 100,000 paper bags to customers on the occasion of International Plastic Bag Free Day on July 3, in line with its "pivotal role in championing sustainability across the board and owing to its prominence as a national leader in environmental responsibility". International Plastic Bag Free Day, celebrated annually, encourages the adoption of environment-friendly products such as paper and cloth bags to dissuade the use of single-use plastic bags. The initiative, held in collaboration with the Ministry of Municipality and Environment, is in line with Al Meera's ongoing efforts to promote a sustainable future. "A champion of green initiatives, the retailer hosts recycling stations at over half of its branches that have contributed to the recycling of over 7mn plastic bottles and cans," Al Meera said in a statement. (Gulf-Times.com)
- **QNBFS, Group Securities top QSE brokerage business** – The Group Securities and QNB Financial Services (QNBFS) continued to dominate the brokerage business as they together contributed about 69% of the total trade turnover in the Qatar Stock Exchange in the first six months of this year, according to the bourse's data. The Group Securities, a conventional brokerage firm, witnessed a robust jump in its share in the trade turnover on the QSE as volumes and transactions through it rose substantially in the review period. The Group Securities' share stood at 47% during January-June 2021 compared to 34% a year-ago period. Its trading turnover more than doubled YoY to QR56.56bn at the end of June 2021. The transactions through it soared 59.98% to 1.28mn and volumes expanded 66% 35.54mn at the end of June 30, 2021. The QNB subsidiary QNBFS' trade turnover amounted to QR21.31bn, which constituted 21.93% of the total traded value in the first six months of 2021 against 26.51% the year-ago period. The turnover expanded 23.84% year-on-year as transactions through it grew 25.23% to 517,011 and volumes by 18.26% to 5.57mn at the end of June 30, 2021.
- **CBQIS, the stock broking arm of Commercial Bank, accounted for 9.16% of trade turnover during January-June 2021 compared to 12.84% in the corresponding period of 2020.** The brokerage's trade turnover saw 6.78% yearly increase to QR11.02bn, while transactions shrank 1.72% to 298,232 despite 22.81% jump in volume to 2.8mn shares in the review period. (Gulf-Times.com)
- **QCB issues treasury bills worth QR600mn** – The Qatar Central Bank (QCB) issued Tuesday treasury bills for July 2021, for three, six and nine months, with a value of QR600mn. The QCB said in a release published on its official website that the treasury bills were distributed as follows: QR300mn for three months at an interest rate of 0.33%; QR200mn for six months at an interest rate of 0.42%; QR100mn for nine months at an interest rate of 0.35%. The issuance of the treasury bills is part of the Qatar Central Bank's monetary policy initiatives and its efforts to strengthen the financial system in the State of Qatar as well as to activate the tools available for open market operations. (Gulf-Times.com)
- **Fitch Assigns Qatar Petroleum's bonds final 'AA-' Rating** – Fitch Ratings has assigned Qatar Petroleum's (QP) newly issued \$12.5bn bonds a final senior unsecured rating of 'AA-', in line with the company's Long-Term Issuer Default Rating (IDR). The multi-tranche comprises \$1.5bn of 1.375% bonds due 2026, \$3.5bn of 2.25% bonds due 2031, \$3.5bn of 3.125% bonds due 2041, and \$4bn of 3.3% bonds due 2051. Fitch understands from management that proceeds from the issuance will primarily be used to fund growth projects. QP's 'AA-' rating is constrained by that of sole shareholder - Qatar (AA-/Stable) - given strong links between the company and the sovereign, in line with Fitch's Government-Related Entities (GRE) and Parent and Subsidiary Linkage (PSL) Rating Criteria. Fitch assesses the Standalone Credit Profile (SCP) of QP at 'aa+', which is supported by the large scale of its LNG franchise, low production costs, large reserve base and conservative leverage. While focused on a single country, its operations are predominantly gas, which makes it better placed for energy transition than other oil and gas majors. Key constraints include completion risk for large capex projects related to an increase in LNG production, and political risk. (Bloomberg)
- **Jefferies: Global LNG Market to Get 'Very Tight' in 2023-2024** – Global LNG market is expected to be "slightly tight" this year and in 2022, and "very tight" in 2023-2024, supporting elevated spot gas prices, analysts at Jefferies said in a report. As gas demand grows by 1% a year through 2040, LNG expands 3 times faster. Supply and demand balance will normalize in 2025 and loosen thereafter until the end of the decade. Spot prices to remain well above historical average of \$6-7 per mmbtu for spot Asian benchmark JKM, which is about half the current rate. Term contracts will remain under pressure as Qatar aggressively markets LNG from its expanding production lines. "Qatar is the lowest cost supplier of LNG, other projects will not be able to justify projects economics with slopes below 11%". (Bloomberg)
- **PM inaugurates Umm Al Houl power plant expansion project** – Prime Minister and Minister of Interior HE Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani inaugurated Umm Al Houl power plant expansion project in Umm Al Houl Economic Zone in Al Wakra City on Tuesday. The PM was briefed on the strategic importance of the plant's expansion and its role in contributing to achieving water security, and the growing role of the private sector in this field. The completion of the water expansion project constitutes a quantum leap towards achieving self-sufficiency in the production of electricity and water. The project enhances the efficiency of national companies in building capacities and

achieving the goals of the Qatar National Vision 2030 for building a prosperous and sustainable economy. Umm Al Houl Power Station will meet 30% of the country's electric energy needs, and 40% of its desalinated water needs, producing 2,520 megawatts of electricity and 197.9mn gallons per day of desalinated water. This expansion will increase the production capacity of desalinated water by 61.4mn gallons per day, which raises the water production capacity in Umm Al Houl Power Station to 197.9mn gallons per day. The project has been successfully completed despite the challenges imposed by the ongoing COVID-19 pandemic, and within the budgeted cost of about QR1.64bn, thanks to the dedicated efforts of the national experts and all members of the project's team. (Qatar Tribune, Peninsula Qatar)

- **Three-star hotels record highest occupancy in May** – Qatar's hospitality sector is witnessing a strong rebound with hotels across segments seeing an increase in occupancy rates. Among the hotels, Three-star hotels have recorded the highest occupancy rate in May this year. With gradual easing of COVID-19 related restrictions in the country, hotels have begun to see a rise in the number of guests. The occupancy rate of Three-star hotels has jumped to 76% in May 2021, which is the highest occupancy rate registered by any other category of hotels. The Three-star hotels had seen 57% occupancy rate in same month in 2020, according to the latest report by the Planning and Statistics Authority. Other categories of hotels and hotel apartments have also recorded health occupancy rates. Five-star hotels' occupancy rate increased to 48% in May this year compared to 32% in same month in 2020. In case of Four-star hotels, there was not much change, as their occupancy stood at 49% in May this year, compared to 50% in May last year. Two and one- star hotels witnessed a sharp rise in business as their occupancy rate jumped to 56% in May this year, compared to 35% in same month last year. The occupancy rate is expected to get only better in the coming months as COVID-19 cases continue to decline and more people get vaccines. This will instill greater confidence among citizens and residents and encourage them to enjoy summer vacations in local hotels. (Peninsula Qatar)

International

- **US Treasury: Yellen to press G20 for higher minimum corporate tax rate** – US Treasury Secretary Janet Yellen will press G20 counterparts this week for a global minimum corporate tax rate above the 15% floor agreed by 130 countries last week, but a rate decision is not expected until future phases of negotiations, US Treasury officials said. The specific rate, and potential exemptions, are among issues still to be determined after 130 countries reached an historic agreement at a Paris-based Organization for Economic Cooperation and Development (OECD) meeting last week. The countries outlined a global minimum tax and the reallocation of taxing rights for large, highly profitable multinational firms. The deal is widely expected to be endorsed by G20 finance leaders when they meet on Friday and Saturday in Venice, Italy. Negotiations on the global minimum tax rate, aimed for completion by the G20 leaders' summit in October, is tied to the outcome of legislation to raise the US minimum tax rate, a Treasury official said. The Biden administration has proposed doubling the US minimum tax on corporations overseas intangible income to 21% along with a new companion "enforcement" tax that would deny deductions to companies for tax payments to countries that fail to adopt the new global minimum rate. The officials said several countries were pushing for a rate above 15%, along with the US. Yellen has been working with the tax-writing committees in Congress to include such provisions in budget "reconciliation" legislation, to align US tax laws with the new international tax goals. (Reuters)

- **ISM survey: US service sector activity cools in June; employment measure contracts** – US services industry activity grew at a moderate pace in June, likely restrained by labor and raw material shortages, resulting in unfinished work continuing to pile up. The Institute for Supply Management said on Tuesday its non-manufacturing activity index fell to 60.1 last month from 64.0 in May, which was the highest reading in the series' history. A reading above 50 indicates growth in the services sector, which accounts for more than two-thirds of US economic activity. Economists polled by Reuters had forecast the index easing to 63.5. The economy has been hit by shortages of labor and raw materials as it reopens after more than a year of disruptions caused by the COVID-19 pandemic. More than 150mn people are fully immunized against the coronavirus, resulting in the lifting of pandemic-related restrictions on businesses and mask mandates, helping demand to revert back to services from goods. The survey's measure of backlog orders increased to a reading of 65.8 from 61.1 in May. New orders remained healthy and there is ample scope for hefty gains in the months ahead, with inventories contracting in June. Inventory sentiment among customers remained poor. Business inventories were depleted in the first quarter amid pent-up demand. With supply constraints showing no sign of letting up, businesses continued to pay more for inputs. The survey's measure of prices paid by services industries dipped to a still-high 79.5 from 80.6 in May, which was the highest reading since September 2005. The continued elevation supports some economists' view that higher inflation to prove to be more persistent than currently envisioned by the Federal Reserve. (Reuters)
- **German industrial orders fall unexpectedly in May** – Orders for German-made goods posted their sharpest slump in May since the first lockdown in 2020, data showed on Tuesday, hurt by weaker demand from countries outside the euro zone and fewer contracts for machinery and intermediate goods. The data published by the Federal Statistics Office showed orders for industrial goods fell by 3.7% on the month in seasonally adjusted terms, marking the first drop in new business this year. This confounded a Reuters forecast of a 1% rise and came after an upwardly revised increase of 1.2% in April. A breakdown of the data showed that foreign demand fell by 6.7%, with orders from outside the euro zone tumbling 9.3%. Domestic demand rose by 0.9%. However, he noted it was also likely that strong pandemic demand for goods such as furniture and healthcare products - which had to be produced by German machinery - was also slowing down and would return to more normal levels. The German economy contracted by 1.8% in the first quarter as lockdown restrictions in place since November dampened household spending and raw material shortages created manufacturing bottlenecks. A relaxation of restrictions in the three months to the end of June is expected to have fueled a recovery, and economists are forecasting growth for the summer despite supply bottlenecks crimping production of many industrial companies. Demand for capital goods, such as machinery and vehicles, fell by 4.6% while orders for intermediate goods contracted by 3.6%, the data showed. Orders for consumer goods rose. (Reuters)
- **German workers on short-time work falls to lowest level since Feb 2020** – The number of employees put on short-time work schemes in Germany fell to 1.5mn people in June, the lowest level since February 2020, as easing COVID-19 restrictions boosted demand for jobs, the Ifo institute said. This represented 4.5% of overall employees after 6.8% in May, Ifo said, adding that the estimate was based on a business survey and data from the Federal Labor Office. In the hospitality sector, the number of people on the schemes fell to 331,000 in June from 520,000 in May, Ifo said, adding that more than 30% of staff in

the sector were still on short-time work. Ifo said supply bottlenecks for raw materials have not yet impacted on the number of short-time workers in the industry. Short-time work allows employers to switch staff onto shorter working hours during an economic downturn to keep them on the payroll. It aims to prevent shocks such as the coronavirus crisis leading to mass unemployment. (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% YoY, but down 6.5% compared to the same month two years earlier - a sign the recovery is taking time to bed in. The MoM figures showed a 2.1% contraction compared with a forecast decline of 3.7%, the Ministry of Internal Affairs and Communications data showed. (Reuters)
- **Japan government expects economy to return to pre-COVID levels by year-end** – Japan's economy is set to recover to pre-pandemic levels by the end of this year, helped by solid exports as well as consumer spending supported by progress in vaccinations, the government said in revised estimates released on Tuesday. In a mid-year review, the government now forecasts that during the fiscal year to end-March, the economy will expand 3.7% and at some point real gross domestic product (GDP) will exceed the 547tn Yen (\$4.9tn) marked in October-December 2019. "Japan's recovery will be moderate in the first half of this fiscal year but accelerate in the latter half due to steady gains in exports and capital expenditure," the government said, adding there would also be a pickup in services spending. The forecasts appear to show a weaker expansion than the government's January estimate of 4.0% growth for this fiscal year. But that is largely due to a smaller-than-expected 4.6% contraction for the economy in fiscal 2020. Growth for the next fiscal year is expected to slow to 2.2% as the pace of exports moderates. But robust domestic demand will lift GDP to a record 558 trillion yen, according to the projections which serve as a basis for policy-making and crafting the state budget. The forecasts follow a central bank report on Monday that painted a cautiously upbeat view on regional economies in a sign policymaker prefer to hold off on ramping up monetary or fiscal stimulus measures any time soon. The world's third-largest economy is currently lagging the US, Britain and many European countries in vaccinations. Rising infection numbers have forced Japan to maintain "quasi" state of emergency curbs weeks before the Tokyo Olympic Games begin on July 23. (Reuters)

Regional

- **Saudi Arabia raises SR10.412bn from Sukuk offering** – Saudi Arabia has raised SR10.412bn from its July local Sukuk offering, Finance Ministry stated. (Bloomberg)
- **Saudi Arabia signs agreement with IATA to establish regional headquarters** – Saudi Arabia's General Authority of Civil Aviation has signed an agreement for the International Air Transport Association to set up its Africa and Middle East regional office in the Kingdom, the authority said in a press release on

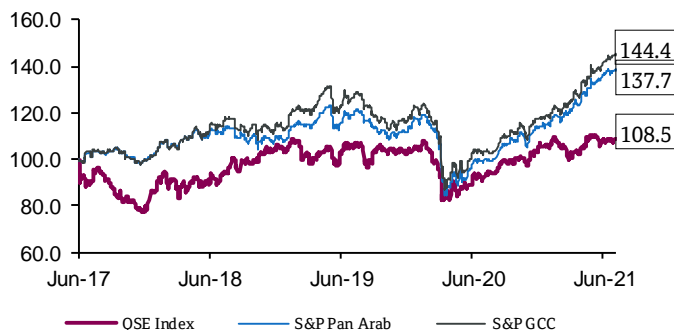
Tuesday. "The presence of the regional office of the International Air Transport Association (IATA) in the kingdom will augment the provision of the necessary support for air transport companies within the Kingdom and the region," the authority added. (Reuters)

- **Saudi Arabia raises August crude oil official selling prices for Asia** – Top oil exporter Saudi Arabia has raised the August official selling prices (OSPs) of all crude grades it sells to Asia, the country's state oil producer Aramco said on Tuesday. It set the August OSP for the flagship Arab light crude at \$2.70 a barrel above the Oman/Dubai average for Asia, up \$0.80 from July. Saudi Arabia set its Arab Light OSP to northwest Europe at a discount of \$1.10 a barrel against ICE Brent for August, compared with a discount of \$1.90 for July, Aramco said. The OSP to the US was set at a premium of \$1.25 a barrel over Argus Sour Crude Index (ASCI), \$0.20 up from July. (Reuters)
- **Saudi Arabia's Tammiah Food sets IPO offer price at top of range** – Tammiah Food Co. has completed the book-building process for institutional subscription with coverage ratio of 9,534%. The final offer price has been set at SR67 per share. (Bloomberg)
- **UAE's May consumer prices fall 0.38% YoY** – The UAE's consumer prices fell 0.38% YoY in May versus -0.54% in April, according to the UAE National Bureau Statistics. Consumer prices rose 0.25% MoM. (Bloomberg)
- **Dubai's consumer confidence rises to its highest since 2011** – The second quarter of 2021 saw consumer optimism in Dubai rising to its highest level since 2011, according to the quarterly Consumer Confidence Index of Dubai's Department of Economic Development (Dubai Economy). Consumer confidence rose to 151 points in 2Q2021, a marked increase from the 125 points recorded in the same period last year and the 145 points in 1Q2021. CEO of the Commercial Compliance and Consumer Protection (CCCP) Sector at Dubai Economy, Mohammed Ali Rashid Lootah said, "The latest Consumer Confidence Index, which shows remarkable improvements in consumer perceptions in Dubai during the second quarter of this year, reflects the growing momentum of broader economic recovery. For example, 75% of consumers were positive on jobs, compared to 32% in the same period in 2020. Besides, 91% of consumers were also optimistic of finding a job in the next 12 months, compared to 75% in the same period last year. (Zawya)
- **Dubai Aerospace Enterprise signs \$500mn deals** – Dubai Aerospace Enterprise has recently signed agreements to sell 9 narrow and wide-body aircrafts worth \$500mn, state-run WAM reported without providing further details. (Bloomberg)
- **Emaar expects to delist malls unit by year-end** – Dubai's largest listed developer Emaar Properties expects to buy out minority shareholders of Emaar Malls and delist the business by year-end, a spokesperson said on Tuesday. The all-share deal to make Emaar Malls a wholly-owned subsidiary of Emaar Properties was announced in March, less than a decade after shares in the malls unit were listed. "We expect the entire merger process to complete before year end," an Emaar spokesperson said in response to Reuters queries. Emaar Properties, which already owns close to 85% of Emaar Malls, will swap 0.51 of its own shares for each remaining share of Emaar Malls, the two companies said in March. The Emaar spokesperson said on Tuesday that United Arab Emirates regulator the Securities & Commodities Authority (SCA) was reviewing the proposal "as part of the normal process. We are hopeful SCA will issue its final approval in the coming weeks." (Reuters)
- **Emirate of Sharjah sells \$750mn in 10-year Sukuk** – The Emirate of Sharjah sold \$750mn in 10-year sukuk on Tuesday in its second international bond sale of the year, as it seeks to plug

finances hit by the impact of the COVID-19 pandemic. Sharjah sold the Islamic bonds at 3.2%, tightened 30 basis points from initial price guidance after the Sukuk attracted more than \$2.75bn in orders, the document from one of the banks on the deal showed. The deal comes despite governments of the hydrocarbon-rich Gulf benefiting from a rebound from the shock of last year's oil price crash, with Brent crude at around \$76 on Tuesday, and the COVID-19 pandemic's impact lessening. Still, the bond sale was needed to plug its deficit, projected to edge down slightly to AED7.5bn in 2021 from AED7.8bn last year, according to the Sukuk prospectus, reviewed by Reuters. (Reuters)

- **IHC unit Easy Lease buys 70% stake in 1885 Delivery Services** – Easy Lease Motorcycle Rental, a unit of Abu Dhabi's International Holding Co., acquires 70% stake in 1885 Delivery Services. It did not provide financial terms. 1885 Delivery Services operates in the UAE with a plan to create a hybrid model of third-party logistics and direct rider management offering services to food-tech and aggregators. It is the second acquisition Easy Lease's has completed in less than 12 months after investment in Dubai-based Uplift Delivery Services. (Bloomberg)
- **Oman asks IMF technical assistance for debt strategy, fiscal framework** – Oman has asked the International Monetary Fund (IMF) to provide technical assistance to help the country develop a medium-term debt strategy and strengthen its fiscal framework, the IMF said. The Gulf oil producer, one of the weakest financially in the region, has been hit hard by the twin shock of lower oil prices and the coronavirus crisis last year. Real GDP shrank 2.8% and the state budget deficit ballooned to 19.3% of GDP due to lower oil revenue and the economic downturn, the IMF said in a statement on Tuesday. Oman launched austerity measures last year which helped it maintain access to the international debt markets ahead of debt redemptions worth about \$11bn this year and next. (Reuters)
- **Kuwait sells KD240mn 182-day bills; bid-cover at 10.56x** – Kuwait sold KD240mn of 182-day bills due on January 4, 2022. Investors offered to buy 10.56 times the amount of securities sold. The bills have a yield of 1.25% and settled on July 6. (Bloomberg)
- **Ithmaar sale of assets to Bank of Bahrain and Kuwait cancelled** – The planned sale of Ithmaar Holding's assets to Bank of Bahrain and Kuwait (BBK) has been cancelled, according to a bourse filing published on Tuesday. The Bahrain-based holding company signed a memorandum of understanding with BBK last year for the potential sale of its subsidiary Ithmaar Bank. The deal was supposed to include specific assets of another subsidiary, IB Capital, an Islamic investment firm. In a new statement to the Bahrain Bourse and Dubai Financial Market, Ithmaar Holding said the transaction could not go through and the acquisition talks have been abandoned. "Following preliminary due diligence and discussions, both parties could not agree on amicable terms and conditions that would maximize their shareholders' interests," Ithmaar said. "Both parties have agreed to abandon all efforts in this connection." (Zawya)
- **Bahrain sells BHD26mn 182-day Islamic Sukuk; bid-cover at 7.32x** – Bahrain sold BHD26mn of 182-day Islamic Sukuk due on January 6, 2022. Investors offered to buy 7.32 times the amount of securities sold. The Sukuk will settle on July 8. (Bloomberg)

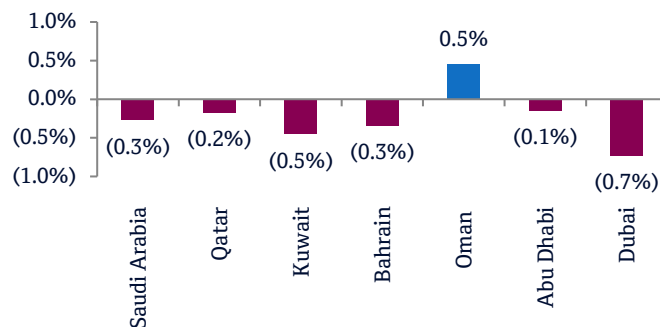
Rebased Performance



Source: Bloomberg
Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,797.08	0.3	0.5	(5.3)
Silver/Ounce	26.16	(1.2)	(1.2)	(0.9)
Crude Oil (Brent)/Barrel (FM Future)	74.53	(3.4)	(2.2)	43.9
Crude Oil (WTI)/Barrel (FM Future)	73.37	(2.4)	(2.4)	51.2
Natural Gas (Henry Hub)/MMBtu	3.30	0.0	0.0	38.1
LPG Propane (Arab Gulf)/Ton	111.25	(0.4)	(0.4)	47.8
LPG Butane (Arab Gulf)/Ton	123.75	0.0	0.0	78.1
Euro	1.18	(0.3)	(0.3)	(3.2)
Yen	110.63	(0.3)	(0.4)	7.1
GBP	1.38	(0.3)	(0.2)	1.0
CHF	1.08	(0.2)	(0.4)	(4.3)
AUD	0.75	(0.4)	(0.4)	(2.6)
USD Index	92.55	0.4	0.3	2.9
RUB	74.46	1.3	1.6	0.1
BRL	0.19	(2.0)	(2.7)	(0.1)

Daily Index Performance



Source: Bloomberg
Source: Bloomberg (*\$ adjusted returns)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,042.63	(0.2)	(0.1)	13.1
DJ Industrial	34,577.37	(0.6)	(0.6)	13.0
S&P 500	4,343.54	(0.2)	(0.2)	15.6
NASDAQ 100	14,663.64	0.2	0.2	13.8
STOXX 600	455.98	(1.0)	(0.4)	10.4
DAX	15,511.38	(1.4)	(1.1)	8.7
FTSE 100	7,100.88	(1.5)	(0.5)	10.9
CAC 40	6,507.48	(1.4)	(0.9)	13.3
Nikkei	28,643.21	0.4	0.0	(2.6)
MSCI EM	1,346.58	(0.6)	(0.6)	4.3
SHANGHAI SE Composite	3,530.26	(0.3)	0.2	2.4
HANG SENG	28,072.86	(0.2)	(0.8)	2.9
BSE SENSEX	52,861.18	(0.7)	0.4	8.2
Bovespa	125,094.90	(3.6)	(4.4)	4.8
RTS	1,644.99	(1.2)	(0.9)	18.6

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