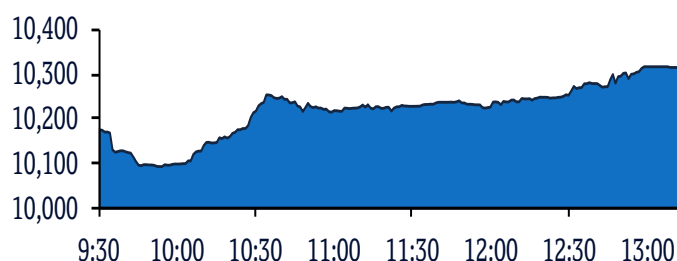


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 1.5% to close at 10,319.3. Gains were led by the Banks & Financial Services and Transportation indices, gaining 2.3% and 1.6%, respectively. Top gainers were The Commercial Bank and Masraf Al Rayan, rising 6.4% and 2.8%, respectively. Among the top losers, Qatar Oman Investment Company fell 4.0%, while Qatari German Company for Medical Devices was down 2.1%.

GCC Commentary

Saudi Arabia: Market was closed on June 03, 2019.

Dubai: Market was closed on June 03, 2019.

Abu Dhabi: Market was closed on June 03, 2019.

Kuwait: The Kuwait Main Market Index gained 0.5% to close at 4,767.4. The Telecommunications index rose 1.6%, while the Oil & Gas index gained 1.5%. Burgan company for well drilling, trading & Maintenance rose 10.0%, while Kuwait Real Estate Holding Company was up 9.4%.

Oman: The MSM 30 Index gained 0.1% to close at 3,941.8. The Industrial index gained 0.6%, while the other indices ended in red. Al Madina Investment rose 4.4%, while Oman Fisheries was up 3.3%.

Bahrain: The BHB Index fell marginally to close at 1,434.6. The Investment index declined 0.2%, while the other indices ended flat or in green. GFH Financial Group declined 1.2%.

Market Indicators	03 June 19	02 June 19	%Chg.
Value Traded (QR mn)	439.7	197.4	122.8
Exch. Market Cap. (QR mn)	567,688.8	560,693.8	1.2
Volume (mn)	12.6	9.6	31.3
Number of Transactions	9,203	5,734	60.5
Companies Traded	42	41	2.4
Market Breadth	29:11	11:26	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,988.43	1.5	0.5	4.6	14.5
All Share Index	3,051.54	1.3	0.2	(0.9)	14.5
Banks	3,987.52	2.3	0.5	4.1	13.9
Industrials	3,215.19	0.2	(0.1)	0.0	16.2
Transportation	2,431.48	1.6	1.2	18.1	13.1
Real Estate	1,564.11	(0.5)	(0.9)	(28.5)	13.1
Insurance	3,070.42	0.3	0.9	2.1	17.7
Telecoms	891.96	(0.2)	(0.5)	(9.7)	18.3
Consumer	7,778.37	1.1	(0.2)	15.2	15.2
Al Rayan Islamic Index	4,018.22	1.0	0.6	3.4	13.8

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
The Commercial Bank	Qatar	48.40	6.4	451.4	1,128.7
Masraf Al Rayan	Qatar	37.00	2.8	596.4	(11.2)
Bank Dhofar	Oman	0.14	2.3	15.0	(13.0)
Qatar Islamic Bank	Qatar	170.00	2.2	116.7	11.8
Human Soft Holding Co.	Kuwait	3.40	2.0	47.0	3.7

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Bank Muscat	Oman	0.42	(1.0)	358.9	6.5
Bank Sohar	Oman	0.11	(0.9)	258.2	0.0
Qurain Petrochemical Ind.	Kuwait	0.37	(0.8)	411.2	3.6
Industries Qatar	Qatar	113.05	(0.4)	203.5	(15.4)
Ooredoo Oman	Oman	0.49	(0.4)	23.2	(13.7)

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%
The Commercial Bank	48.40	6.4	451.4	1,128.7
Masraf Al Rayan	37.00	2.8	596.4	(11.2)
Doha Bank	23.08	2.6	267.6	4.0
Qatar Navigation	64.00	2.4	2.5	(3.0)
Mannai Corporation	39.90	2.3	13.0	(27.4)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	7.34	(1.2)	4,090.0	(43.5)
QNB Group	186.00	1.6	985.8	(4.6)
Mesaieed Petrochemical Holding	26.00	2.0	797.4	73.0
Qatar First Bank	4.20	0.5	706.7	929.4
Masraf Al Rayan	37.00	2.8	596.4	(11.2)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Oman Investment Co.	5.47	(4.0)	3.3	2.4
Qatari German Co for Med. Dev.	5.09	(2.1)	128.5	(10.1)
Investment Holding Group	5.57	(1.4)	198.7	13.9
Ezdan Holding Group	7.34	(1.2)	4,090.0	(43.5)
Gulf International Services	19.65	(0.8)	290.4	15.6

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	186.00	1.6	180,391.9	(4.6)
Ezdan Holding Group	7.34	(1.2)	30,133.5	(43.5)
Industries Qatar	113.05	(0.4)	23,018.1	(15.4)
Masraf Al Rayan	37.00	2.8	21,900.0	(11.2)
The Commercial Bank	48.40	6.4	21,578.9	1,128.7

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*	10,319.33	1.5	0.5	0.5	0.2	120.22	155,944.1	14.5	1.6	4.2
Dubai#	2,620.33	0.8	1.2	(5.3)	3.6	56.11	95,039.7	11.4	1.0	5.1
Abu Dhabi#	5,003.59	2.8	4.7	(4.8)	1.8	102.66	139,271.4	14.5	1.5	5.0
Saudi Arabia#	8,516.48	1.2	(0.2)	(8.5)	8.8	726.37	533,344.0	19.5	1.9	3.5
Kuwait	4,767.42	0.5	0.7	0.7	0.6	65.79	32,948.3	14.5	0.9	3.9
Oman	3,941.82	0.1	0.2	0.2	(8.8)	1.92	17,151.8	7.8	0.8	7.0
Bahrain	1,434.62	(0.0)	0.1	0.1	7.3	2.70	22,254.8	10.5	0.9	5.3

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded (\$ mn) do not include special trades, if any, #Data as on May 30, 2019)

Qatar Market Commentary

- The QE Index rose 1.5% to close at 10,319.3. The Banks & Financial Services and Transportation indices led the gains. The index rose on the back of buying support from GCC and non-Qatari shareholders despite selling pressure from Qatari shareholders.
- The Commercial Bank and Masraf Al Rayan were the top gainers, rising 6.4% and 2.8%, respectively. Among the top losers, Qatar Oman Investment Company fell 4.0%, while Qatari German Company for Medical Devices was down 2.1%.
- Volume of shares traded on Monday rose by 31.3% to 12.6mn from 9.6mn on Sunday. However, as compared to the 30-day moving average of 31.6mn, volume for the day was 60.2% lower. Ezdan Holding Group and QNB Group were the most active stocks, contributing 32.5% and 7.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	16.36%	25.36%	(39,565,975.45)
Qatari Institutions	13.96%	43.76%	(131,034,701.76)
Qatari	30.32%	69.12%	(170,600,677.21)
GCC Individuals	0.98%	0.97%	25,240.34
GCC Institutions	3.32%	2.29%	4,541,034.48
GCC	4.30%	3.26%	4,566,274.82
Non-Qatari Individuals	5.37%	5.13%	1,050,443.56
Non-Qatari Institutions	60.01%	22.49%	164,983,958.83
Non-Qatari	65.38%	27.62%	166,034,402.39

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06/03	US	Markit	Markit US Manufacturing PMI	May F	50.5	50.6	50.6
06/03	US	Institute for Supply Management	ISM Manufacturing	May	52.1	53	52.8
06/05	US	Mortgage Bankers Association	MBA Mortgage Applications	31-May	1.5%	-	-3.3%
06/05	US	Automatic Data Processing, Inc	ADP Employment Change	May	27k	185k	271k
06/05	US	Markit	Markit US Services PMI	May	50.9	50.9	50.9
06/05	US	Markit	Markit US Composite PMI	May	50.9	-	50.9
06/05	US	Institute for Supply Management	ISM Non-Manufacturing Index	May	56.9	55.4	55.5
06/06	US	Department of Labor	Initial Jobless Claims	1-June	218k	215k	218k
06/06	US	Department of Labor	Continuing Claims	25-May	1682k	1660k	1662k
06/03	UK	Markit	Markit UK PMI Manufacturing SA	May	49.4	52.2	53.1
06/04	UK	Markit	Markit/CIPS UK Construction PMI	May	48.6	50.6	50.5
06/05	UK	Markit	Markit/CIPS UK Services PMI	May	51	50.5	50.4
06/05	UK	Markit	Markit/CIPS UK Composite PMI	May	50.9	51	50.9
06/03	EU	Markit	Markit Eurozone Manufacturing PMI	May	47.7	47.7	47.7
06/04	EU	Eurostat	Unemployment Rate	Apr	7.6%	7.7%	7.7%
06/04	EU	Eurostat	CPI Core YoY	May	0.8%	0.9%	1.3%
06/04	EU	Eurostat	CPI Estimate YoY	May	1.2%	1.3%	1.7%
06/05	EU	Markit	Markit Eurozone Services PMI	May	52.9	52.5	52.5
06/05	EU	Markit	Markit Eurozone Composite PMI	May	51.8	51.6	51.6
06/05	EU	Eurostat	PPI MoM	Apr	-0.3%	0.2%	-0.1%
06/05	EU	Eurostat	PPI YoY	Apr	2.6%	3.1%	2.9%
06/06	EU	Eurostat	GDP SA QoQ	1Q2019	0.4%	0.4%	0.4%
06/06	EU	Eurostat	GDP SA YoY	1Q2019	1.2%	1.2%	1.2%
06/03	Germany	Markit	Markit/BME Germany Manufacturing PMI	May	44.3	44.3	44.3
06/05	Germany	Markit	Markit Germany Services PMI	May	55.4	55	55
06/05	Germany	Markit	Markit/BME Germany Composite PMI	May	52.6	52.4	52.4
06/06	Germany	Markit	Markit Germany Construction PMI	May	51.4	-	53
06/07	Germany	Deutsche Bundesbank	Industrial Production SA MoM	Apr	-1.9%	-0.5%	0.5%
06/07	Germany	Bundesministerium fur Wirtschaft	Industrial Production WDA YoY	Apr	-1.8%	-0.4%	-0.9%
06/03	France	Markit	Markit France Manufacturing PMI	May	50.6	50.6	50.6
06/05	France	Markit	Markit France Services PMI	May F	51.5	51.7	51.7
06/05	France	Markit	Markit France Composite PMI	May F	51.2	51.3	51.3
06/07	France	INSEE National Statistics Office	Industrial Production MoM	Apr	0.4%	0.3%	-1.1%
06/07	France	INSEE National Statistics Office	Industrial Production YoY	Apr	1.1%	1.0%	-0.7%
06/07	France	INSEE National Statistics Office	Manufacturing Production MoM	Apr	0.0%	-	-1.1%
06/07	France	INSEE National Statistics Office	Manufacturing Production YoY	Apr	0.5%	-	0.6%

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

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06/03	Japan	Markit	Nikkei Japan PMI Mfg	May	49.8	-	49.6
06/05	Japan	Markit	Nikkei Japan PMI Composite	May	50.7	-	50.8
06/05	Japan	Markit	Nikkei Japan PMI Services	May	51.7	-	51.8
06/03	China	Markit	Caixin China PMI Mfg	May	50.2	50	50.2
06/05	China	Markit	Caixin China PMI Composite	May	51.5	-	52.7
06/05	China	Markit	Caixin China PMI Services	May	52.7	54	54.5
06/03	India	Markit	Nikkei India PMI Mfg	May	52.7	-	51.8
06/05	India	Markit	Nikkei India PMI Services	May	50.2	-	51
06/05	India	Markit	Nikkei India PMI Composite	May	51.7	-	51.7

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

Stock Split Dates for Listed Qatari Companies

Day / Date	Company Symbols			Sector
	1	2	3	
Sunday 09/06/2019	CBQK	QFBQ		Banking and Financial Services
Monday 10/06/2019	KCBK	DBIS	QOIS	
Tuesday 11/06/2019	QIIK	NLCS		
Wednesday 12/06/2019	QNBK	ABQK	IHGS	
Thursday 13/06/2019	QIBK	DHBK		
Sunday 16/06/2019	MARK			
Monday 17/06/2019	MERS	MCCS		Consumer Goods & Services
Tuesday 18/06/2019	WDAM	ZHCD	QGMD	
Wednesday 19/06/2019	QFLS	MCGS		
Thursday 20/06/2019	SIIS	QCFS		
Sunday 23/06/2019	MPHC	IGRD		Industrial
Monday 24/06/2019	QIGD	AHCS	QNCD	
Tuesday 25/06/2019	IQCD	QIMD		
Wednesday 26/06/2019	QEWS	GISS		Insurance
Thursday 27/06/2019	QISI	QATI		
Sunday 30/06/2019	DOHI	QGRI	AKHI	Real Estate
Monday 01/07/2019	BRES	ERES		
Tuesday 02/07/2019	UDCD	MRDS		Telecoms
Wednesday 03/07/2019	VFQS	ORDS		
Thursday 04/07/2019	QGTS	GWCS	QNNS	Transport/Logistics
Sunday 07/07/2019	QETF	QATR	QAMC	ETFs and QAMCO

Source: QSE

News

Qatar

- QSE stock split takes effect today post trading session** – The QE begins applying 10:1 stock split effective from today post session with Commercial Bank of Qatar (CBQK) and Qatar First Bank (QFBQ) to trade with the new pricing starting from tomorrow. The banking and financial services sector, which comprises 13 listed constituents, is the first to implement the stock split between June 9 and June 16. The consumer goods and services sector, which comprises nine constituents, has the June 17-20 window to implement the stock split. The stock split will result in enhanced free float, thereby increasing liquidity, leaving the paid-up capital intact. Shareholders do not need to take any action because of the stock split, which will not affect the company's market capitalization or the proportionate ownership of existing shareholders. (QSE, Gulf-Times.com)

- S&P affirms DOHI's rating at 'A-' with 'Stable' outlook** – Standard and Poor's Rating Services (S&P) has announced that Doha Insurance (DOHI) rating is affirmed at 'A-' and the outlook remains 'Stable'. (QSE)
- QCSD amends the foreign ownership percentage of DOHI to 49%** – Qatar Central Securities Depository (QCSD) announced that it had amended the foreign ownership percentage of Doha Insurance Group (DOHI) to become 49% of the company's capital. (QSE)
- Qatargas completes largest ever multi-port delivery of single LNG cargo in industry first** – In an industry first, Qatargas Operating Company (Qatargas) has successfully completed the largest ever multi-port delivery of a single cargo of liquefied natural gas (LNG). This achievement, which saw a Q-Max vessel safely discharge LNG at two terminals in Spain, is testament to the company's commitment to leading the LNG

industry in terms of operational flexibility and supply chain efficiency. Qatargas' CEO, Khalid bin Khalifa al-Thani, "Qatargas continues to deliver innovative solutions which provide greater efficiency, flexibility and optimization of resources. This multi-port delivery further demonstrates our commitment to maintaining our position as the world's premier LNG company." (Gulf-Times.com)

- **QCB's foreign exchange reserves rise to \$52.4bn** – Qatar Central Bank's (QCB) foreign exchange (FX) reserves rose to \$52.4bn in April. Qatar's trade balance surplus remained healthy at \$3.6bn in April, QNB Group's 'Qatar Monthly Monitor', noted. Qatar banks' asset growth was 4.1% YoY in April. The credit growth was 4.0% YoY. Bank deposit growth was 0.8% for the month. Private sector, public sector deposits decreased 0.6% and 15.1%, respectively; however non-resident deposits increased 1.3% MoM in April. Broad money supply (M2) declined 4.8% YoY in April and interbank rates remained stable. QIBOR 3-month interest rates remained stable while USD LIBOR 3-month interest rates drifted down. Qatar's real GDP grew by 0.3% YoY in fourth quarter of 2018. Non-hydrocarbon GDP growth was 2.4% during the period. Manufacturing production grew 2.2% YoY in March. The country's fiscal account surplus widened to 3.4% of GDP in 4Q2018. The real estate price index was up 1.0 in April. 5-star and 4-star hotel occupancy rates rose to 68% and 70%, respectively. (Peninsula Qatar)
- **Qatar's cargo movement registers huge rise at ports in May** – Ports in Qatar have registered strong growth in cargo movement in May, driven by sharp rise in the number ships coming to Qatari waters. A total of 373 vessels called at Hamad Port, Ruwais Port and Doha Port last month, compared to 279 vessels in April this year, reflecting a significant MoM increase of around 34%. These ports handled 46,691 tons of general cargo in May against 39,635 tons of general cargo in April, showing an increase of 18%. Similar rising trend was visible in building materials categories as these ports handled 46,173 tons of building materials during last month, compared to 35,715 tons in the previous month, registering a strong rise of around 30%. These ports handled 115,039 Twenty-Foot Equivalent Units (TEU), 78,490 livestock heads and 5,328 vehicles in May. A total of 110,209 livestock were handled during April this year, compared to 62,053 livestock in March, showing an increase of 78%. (Peninsula Qatar)
- **IMF: Qatar's economy in robust shape** – Qatar's economy has successfully absorbed the shocks from the 2014-16 drop in hydrocarbon prices and the continuing diplomatic rift, according to International Monetary Fund (IMF). The country has managed to retain export ties and develop newer trade relations, sustaining its one-third share of global liquefied natural gas (LNG) trade, the Bretton Woods institution stated. "Overall GDP growth is projected to reach 2.6% in 2019 from 2.2% in 2018, underpinned by a recovery in the hydrocarbon output and still robust growth of the non-hydrocarbon sector," it stated. The projected non-hydrocarbon growth for this year reflects the lingering multiplier effects of sustained increases in capital expenditures in the last few years, the gradual pace of fiscal consolidation, ample liquidity, and increased private sector activity, it stated, adding medium-term growth will be supported by increased gas production from the Barzan field, a

planned increase in LNG production capacity by 40%. Highlighting that fiscal consolidation is envisaged to continue, albeit at a slower rate; it stated in 2019, expenditure restraint and lagged revenue impact of higher oil prices would result in further improvement of fiscal position to about 3% from 2.3% in the previous year. (Gulf-Times.com)

- **IMF: Qatar's banking sector remains healthy with high asset quality, capitalization** – Qatar's banking sector remains healthy, reflecting high asset quality and robust capitalization; even as the Qatar Central Bank (QCB) should consider introducing additional indicators in the real estate, given the softening of rates in the sector, according to International Monetary Fund (IMF). At end-September 2018, banks had high capitalization (capital adequacy ratio, or CAR, of 16%) and maintained strong profitability (return on assets of 1.6%), low non-performing loans (ratio of 1.7%), and a reasonable provisioning ratio of 83%, the Bretton Woods institutions stated in its latest Article IV consultation with Qatar. Banks are comfortably liquid, with liquid-asset-to-total-asset ratio of 29.7%. Nonetheless, strong credit growth that outpaced deposits resulted in the system-wide loan-to-deposit (LTD) ratio of 103%, which is higher than the QCB guidance of 100%. "The loan-to-deposit ratio should be enforced to encourage banks to reduce leverage," the IMF report stated. Highlighting that stress test results indicate that Qatari banks can withstand severe macroeconomic shocks, IMF stated given the strong position of the financial system, with low NPLs, adequate provisioning, and solid profitability, banks can comfortably withstand higher NPLs and lower profitability brought about by macroeconomic shocks. Although banks remain sound, underpinned by strong profitability and capital as well as high asset quality, the report stated it is important to continue to monitor closely banking sector's assets, given the softening of real estate prices. (Gulf-Times.com)
- **IMF: Structural reforms could support FDI, increase growth in Qatar** – Structural reforms such as improved contract enforcement and minority protection could support foreign direct investment (FDI) and increase economic growth in Qatar by as much as one percentage point, according to the International Monetary Fund (IMF). Doha should also develop a comprehensive strategy to attract foreign investment and pay attention to developing domestic technological capacity, IMF stated in its latest Article IV consultation report with Qatar. Highlighting that the foreign partners can play a big role in supporting entry into new sectors, it stated Qatar's Second National Development Strategy identifies FDI as an important contributor to diversification. Countries looking to adopt technological and methodological advances in sectors new to them have a significant advantage: they can learn from others, it said, adding at various points in their histories, the US, Germany, Japan, South Korea, and China have all learned from other countries. (Gulf-Times.com)
- **IMF: Qatar to benefit from budget based on realistic oil prices** – Qatar could consider adopting a fiscal rule and also base its budget on realistic oil price assumptions than taking a conservative approach, according to the International Monetary Fund (IMF). "Given the volatile nature of resource revenues, Qatar would benefit from a framework that includes a

procedural fiscal rule, rather than a permanent strict numerical target," IMF stated in its Article IV consultation with Qatar. Moving towards a medium-term fiscal framework that decouples government expenditures from hydrocarbon revenues would reduce the destabilizing impact of oil price volatility on the economy, it stated. "A procedural rule in a volatile environment thus argues for allowing the Ministry of Finance (MoF) the flexibility to change its quantitative fiscal targets within a principle-based framework," the Bretton Woods institutions stated, adding this indeed suggests a trade-off between a rigid fiscal rule with high risks of becoming obsolete and a flexible yet less credible rule. (Gulf-Times.com)

- **FocusEconomics: Qatar's public debt to fall gradually until 2023** – Qatar's public debt will fall gradually until 2023, FocusEconomics stated, and estimated it to be at 51.2% this year, 48.9% (in 2020), 45.2% (in 2021), 42.3% (in 2022) and 39.3% (in 2023). The researcher has estimated Qatar's international reserves to be at \$39.2bn in 2023, covering 10.4 months of imports. Qatar's fiscal balance as a percentage of GDP is set to rise to 5.5% in 2023 from an estimated 0.9% this year, FocusEconomics stated. The current account balance (as a percentage of the country's GDP) will be 7.2% in 2023 compared with 7.3% in 2019. Qatar's merchandise trade balance, FocusEconomics stated, will be \$61.5bn in 2023. This year, it will account for \$49.6bn. Qatar's gross domestic product is expected to reach \$242bn by 2023, it stated. By the year-end, Qatar's GDP may total \$199bn. Qatar's economic growth in terms of nominal GDP will reach 5.1% in 2023 from 3.5% by the year-end. The country's inflation, the report noted, will be 2.1% in 2023 and 0.9% this year. Qatar's unemployment rate (as a percentage of active population) will remain a meagre 0.2% in 2023, unchanged from this year. According to FocusEconomics, Qatar's economic growth should accelerate this year, buttressed by slightly higher hydrocarbon production, and infrastructure projects related to the 2022 World Cup. FocusEconomics panelists see growth of 2.6% in 2019, which is unchanged from last month's estimate, and 2.8% in 2020. (Gulf-Times.com)
- **Qatar's arbitration laws seen to attract more investments** – Developments in Qatar's arbitration laws have contributed to the economic growth of the country, helping it become attractive to foreign investments, according to a senior official of the Qatar International Centre for Conciliation and Arbitration (QICCA). Sheikh Thani bin Ali Al-Thani, who is board member of both the ICC Arbitration Court and of QICCA for International Relations, the centre has succeeded in the settlement of a large number of commercial disputes in various areas and sectors since its inception 12 year ago. "There is no doubt that the issuance of the Civil and Commercial Arbitration Law in 2017 has enhanced the role of commercial arbitration as an alternative method to resolve dispute. The law represented a great stride on the arbitration field as one of the best arbitration laws in the region," Sheikh Thani said. According to Sheikh Thani, the centre has made great efforts to disseminate the culture of commercial arbitration among business sectors in Qatar on the basis of QICCA'S conviction in the role of arbitration in enhancing the confidence of investors in Qatar's economy and boosting investment climate. (Gulf-Times.com)

- **New economic corridor widens trade possibilities** – Qatar's adroit strategy to shift to overdrive along a new economic corridor has not only successfully maneuvered trade and business hurdles posed by Saudi-led quartet but also gave it the much needed diversification in income stream and supply chain. The New Emerging Belt Initiative (NEBI) – a new economic corridor focusing Kuwait, Oman, India, Pakistan and Turkey with a combined economy valued at more than \$2.1tn, will give Qatar the much needed thrust and confidence to forge new alliances and connect businesses, especially at a time when Doha is being subject to unjust blockade, which is on its third year. "This economic initiative will bring us close to our regional partners, and will connect our businesses, which in turn, will increase the flow of foreign direct investment (FDI) and create new opportunities across all sectors," Qatar Financial Centre's CEO, Yousuf Mohamed Al-Jaida. QFC is the brain behind NEBI. (Gulf-Times.com)
 - **MoCI to showcase Qatar investment prospects at St Petersburg International Economic Forum 2019** – The Ministry of Commerce and Industry (MoCI) is participating in the St Petersburg International Economic Forum 2019 (SPIEF), which was held in St Petersburg, Russia from June 6 to 8. The participation of the MoCI in the key event as part of the Qatar pavilion highlighted the State of Qatar's keenness to enhance economic, trade and investment relations with Russia. The event also highlighted the incentives provided by Qatar for foreign investors and the investment opportunities available in various promising sectors. This is part of Qatar's strategy for attracting more foreign direct investments and strengthening the country's competitive position in the region and beyond. Through its participation in this year's edition of the forum, the MoCI has highlighted the characteristics of Qatar's investment environment and provide insight into the key laws and legislations adopted by the State to stimulate domestic and foreign investments, including the law on regulating the investment of the non-Qatari capital in economic activity. (Gulf-Times.com)
 - **Qatar-Argentina investment ties at all time high** – The trade and investment ties between Qatar and Argentina have witnessed phenomenal growth to reach an all time high in the last one year, Ambassador of Argentina to Qatar HE Carlos Alberto Hernandez said. Hernandez said that the trade volume between Qatar and Argentina increased almost 6% last year despite the huge geographical distance between the two countries. While the current trade balance of over \$470mn is in favor of Qatar, the envoy said, exports from Argentina to Qatar especially of food products have increased a lot. According to reports, the value of Qatari exports to Argentina reached \$450mn last year as Qatar has moved from being a small supplier of liquefied natural gas to be the main source of Argentina. Today Qatar is the main exporter of LNG to Argentina, Hernandez said adding that increased exports of agricultural products such as vegetables, fruits, cereals, barley, poultry and meat have made Argentina one of the main suppliers of food products to Qatar. (Qatar Tribune)
- International**
- **MBA: US mortgage activity picks up as loan rates tumble** – The US mortgage applications edged up last week, led by a jump in

requests for refinancing, as home borrowing costs fell to their lowest levels in nearly 17 months on worries about trade tensions, the Mortgage Bankers Association (MBA) stated. The Washington-based group's seasonally adjusted index on loan requests to buy a home and to refinance one rose 1.5% to 417.8 in the week ended May 31. Interest rates on 30-year fixed-rate conforming mortgages or loans whose balances are \$484,350 or less decreased to 4.23%, which was the lowest since January 2018. A week ago, they averaged 4.33%. (Reuters)

- **Weak US employment report raises red flag on economy** – The US job growth slowed sharply in May and wages rose less than expected, raising fears that a loss of momentum in economic activity could be spreading to the labor market, which could put pressure on the Federal Reserve to cut interest rates this year. The broad cool-off in hiring reported by the Labor Department was before a recent escalation in trade tensions between the US and two of its major trading partners, China and Mexico. Analysts have warned the trade fights could undermine the economy, which will celebrate 10 years of expansion next month, the longest on record. Nonfarm payrolls increased by 75,000 jobs last month, the government stated. It was the second time this year that job gains dropped below 100,000. Economists polled by Reuters had forecasted payrolls rising by 185,000 jobs last month. Job growth in March and April was revised down by 75,000. (Reuters)
- **Global recession fears grow as factory activity shrinks** – Factory activity slowed in the US, Europe and Asia last month as an escalating trade war between Washington and Beijing raised fears of a global economic downturn and heaped pressure on policymakers to step up support. Such growth indicators are likely to deteriorate further in coming months as higher trade tariffs take their toll on commerce and dent business and consumer sentiment, leading to job losses and delaying investment decisions. Some economists predict a world recession and a renewed race to the bottom on interest rates if trade tensions fail to ease at a Group of 20 summit in Osaka, Japan, at the end of June, when presidents Donald Trump and Xi Jinping could meet. The US-China trade war, slumping car sales and Britain's stumbling European Union exit took their toll on manufacturing activity last month. (Reuters)
- **IMF, Fed officials: Trade war, tariffs pose risks to US and global growth** – Officials of the US Federal Reserve and International Monetary Fund (IMF) warned separately that global trade tensions and rising tariffs posed an increasing risk to decades of US expansion, as well as to the global economy. Developments since early May, including a new 25% US tariff on Chinese imports and threats of new US levies on Mexico, seemed to mark a turning point in the Trump administration's more-than-year-old battle over trade policy that could undermine business confidence and investment, and eventually feed through to economic performance. (Reuters)
- **US manufacturing mired in soft patch as orders, shipments fall** – New orders for US-made goods fell in April and shipments dropped by the most in two years, indicating continuing weakness in manufacturing activity that could hurt the broader economy. The report from the Commerce Department added to moderate consumer spending as well as weak home sales, construction and equipment outlays in April in suggesting that

economic growth was slowing sharply after a temporary boost from trade, inventories and defense spending in the first quarter. Factory goods orders declined 0.8%, pulled down by softening demand for transportation equipment, computers and electronic orders, and primary metals. Orders increased 1.3% in March. Economists polled by Reuters had forecasted factory orders would fall 0.9% in April. Factory orders rose 1.6% compared to April 2018. Manufacturing, which accounts for about 12% of the economy, is being squeezed by businesses placing fewer orders while working off stockpiles of unsold goods in warehouses. Inventories at factories rose 0.3% in April. The stock of unsold goods has increased in seven of the last eight months. Shipments of manufactured goods fell 0.5% in April, the largest drop since April 2017, after rising 0.2% in March. The inventories-to-shipments ratio increased to 1.37 from 1.36 in March. Pointing to further weakness in manufacturing activity, unfilled orders at factories slipped 0.1% in April, reversing March's 0.1% rise. (Reuters)

- **QNB Group: Fed monetary policy framework review a 'positive' development** – The US Federal Reserve's comprehensive review of its monetary policy framework is a positive development, QNB Group stated in an economic commentary. First announced in November 2018, the review intends to engage Fed officials and other stakeholders in a discussion about monetary policy strategy, tools, and communication practices. While the review is expected to be wide-ranging, the scope is limited by the Fed's statutory mandate of maximum employment and price stability. Importantly, a long-term inflation objective of 2% is stated as a given, ruling out any discussions about changes in the inflation target level. The format of the Fed's framework review involves a series of town-hall style meetings in 'Fed Listens' events around the US. This includes the conference hosted by the Chicago Fed on June 4 and 5, when Fed officials met with top experts and community leaders to openly discuss monetary policy issues. The review is expected to be finalized in one year with the publication of a report in the first half of 2020. Potential changes are of paramount importance and the bar is high for any meaningful innovation, as the existing framework is the result of decades of learning and fine-tuning. (Gulf-Times.com)
- **Trump to decide on \$300bn China tariffs after G20 meeting** – The US President, Donald Trump said he would decide whether to carry out his threat to hit Beijing with tariffs on at least \$300bn in Chinese goods after a meeting of leaders of the world's largest economies late this month. Relations between the US and China have deteriorated since Trump in early May accused Beijing of reneging on commitments to change its ways of doing business with the rest of the world. Since then the two sides have acted against each other's companies and exchanged harsh words on the diplomatic front, an escalation that has rattled global markets and wiped out more than \$1.5tn in investments worldwide. Trump raised tariffs to 25% on \$200bn of Chinese goods and ordered his trade representative to prepare tariffs on another \$300bn, effectively covering almost all Chinese exports to the US. The G20 summit, in Japan on June 28-29, marks the first opportunity for Trump and Chinese President Xi Jinping to meet since the last G20 summit in Buenos Aires in late 2018. Trump said a decision on the \$300 billion will follow that meeting. (Peninsula Qatar)

- **Halifax: UK's house prices show biggest annual rise since Jan 2017** – British house prices rose at the fastest annual rate since the start of 2017 during the three months to the end of May, mortgage lender Halifax stated, though it added the figure was flattered by weak growth a year ago. Halifax stated house prices in the three months to May were 5.2% higher than in 2018, up from 5.0% annual growth in the three months to April, their highest since January 2017 and beating a forecast in a Reuters poll of economists. Britain's housing market has slowed since 2016's Brexit referendum, driven by price falls in London and neighboring areas, exacerbated by higher purchase taxes on homes costing over \$1.27mn and on second homes and small landlords. Halifax stated prices rose 0.5% on the month in May, in contrast to predictions of a fall, and April's monthly house price growth was revised up to 1.2% from 1.1%. (Reuters)
- **BoE: UK's public foresees highest inflation in decade** – The British public's expectations for inflation in five years' time have jumped to their highest in more than a decade, Bank of England's (BoE) data showed, in a possible sign of concern about the economic outlook after Brexit. The public's average long-run inflation forecast rose to 3.8% in May from 3.4% in February, a quarterly survey by the BoE showed, the highest since it first asked the question in early 2009. Short-run inflation expectations for the next 12 months edged down to 3.1% from a five-year high of 3.2% in February, but are well above the BoE's target of 2% for consumer prices. (Reuters)
- **Consumers, investment, trade boost Eurozone at start of 2019** – The Eurozone's economy accelerated in the first three months of this year, EU statistics agency Eurostat confirmed, driven by household spending, investment and trade. Eurostat confirmed its earlier estimate that gross domestic product in the 19 countries sharing the Euro rose 0.4% QoQ in the January-March period. It also kept its figure of 1.2% for YoY growth. That follows expansion of 0.2% QoQ and 1.2% YoY in the fourth quarter of 2018. Eurostat stated household consumption added 0.3 percentage points to the quarterly growth result; gross fixed capital formation 0.2 points and net trade 0.1 points. Inventory changes had a negative 0.3 point influence, while the impact of government consumption was zero. Employment in the Eurozone rose 0.3% on the quarter and 1.3% YoY, the same rates as in the fourth quarter of 2018. The highest rate of jobs increases were in industry, information and communication services and in real estate. (Reuters)
- **IMF sees Euro as undervalued, ECB policy support necessary** – International Monetary Fund (IMF) believes the European Central Bank (ECB) must maintain supportive monetary policy, an EU document seen by Reuters showed, anticipating the content of a report the IMF will present to Eurozone's Finance Ministers next week. The fund also intends to repeat its calls for Germany and other Eurozone surplus countries to increase spending, while pushing Italy and other high-debt states to create more fiscal space by implementing structural reforms, the document stated. Those moves would help strengthen the Euro exchange rate, which the IMF sees as slightly undervalued. ECB is expected to announce new measures to help the ailing Eurozone's economy and may even set the stage for more action later this year. (Reuters)
- **Japan's household spending, wages weakness cloud economic outlook** – Japan's household spending rose less than expected in April while real wages declined, adding to worries about consumption as global trade frictions weigh on broader economic activity. Spending grew 1.3% from a year earlier, government data showed, up for a fifth straight month but below a median market forecast for a 2.6% increase. Separate data showed inflation-adjusted real wages fell 1.1% in April from a year earlier, a sign consumer spending power was weakening. The softer-than-expected household spending and wage declines bode ill for an economy already hurt by a slump in exports to China, and will add to concerns about the expected impact to consumption from the government's planned sales tax increase due later this year. On a MoM basis, household spending fell 1.4% in April, following a 0.1% gain in March and a bigger decline than the 0.3% contraction forecast. (Reuters)
- **Reuters poll: No surprises expected in Japan's revised first-quarter GDP, trade war clouds outlook** – Revised Japanese growth data is expected to show the world's third-biggest economy grew at the same pace as initially thought, with the overall picture highlighting a soft underbelly as global trade war concerns hurt corporate and consumers. A Reuters poll of 17 economists forecast Japan's gross domestic product (GDP) expanded an annualized 2.1% in January-March, unchanged from the preliminary reading last month. GDP grew an annualized 1.6% in the fourth quarter. The revised GDP data is also expected to show capital spending rose 0.5%, which if realized will provide some cheer given the initial release showed a 0.3% contraction from the fourth quarter. Partially offsetting that were a downgrade in the contribution of public investment and factory inventories from the preliminary reading, analysts predicted. (Reuters)
- **Chinese importers to apply for tariff waivers on US goods** – Chinese importers are preparing applications for waivers on import tariffs levied on more than 700 US goods in the Sino-US trade war, after the finance ministry stated it would start taking submissions. The Ministry of Finance last week posted a list of goods for which waivers could be granted that includes meats such as beef and pork, soybeans, coal and copper scrap. The waivers are for tariffs imposed in July last year on \$50bn worth of US goods in retaliation for similar measures taken by Washington. Beijing has since imposed additional tariffs on thousands of goods as a bitter trade war has escalated. (Reuters)
- **IMF cuts China's 2019 economic growth forecast to 6.2% from 6.3%** – International Monetary Fund (IMF) cut its 2019 economic growth forecast for China to 6.2% on heightened uncertainty around trade frictions, saying that more monetary policy easing would be warranted if the Sino-US trade war escalates. The downgrade came just two months after the IMF raised its China growth forecast to 6.3% from 6.2%, underlining the expected drag on the world's second-biggest economy from higher US tariffs on billions of Dollars of Chinese goods. "Growth is expected to moderate to 6.2% and 6.0% in 2019 and 2020, respectively. The near-term outlook remains particularly uncertain given the potential for further escalation of trade tensions," IMF's Deputy Managing Director, David Lipton said. (Reuters)

Regional

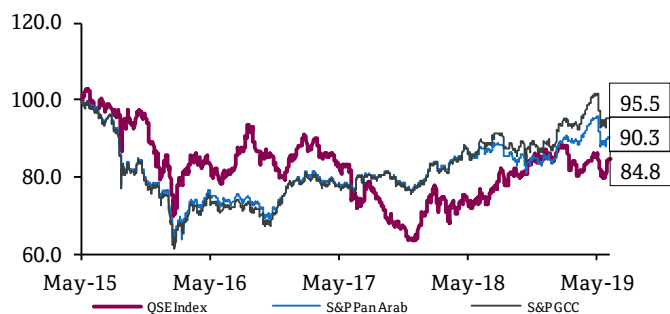
- **Russia meets its OPEC+ target in May amid dirty oil crisis** – Russia's average daily oil output in May fell below its OPEC+ target for the first time this year after buyers refused to take exports via Druzhba, the nation's key pipeline to Europe, because of contamination. The country produced just more than 47mn tons of crude oil and condensate in May, according to preliminary data from the Energy Ministry's CDU-TEK unit. That implies a daily average of about 11.114mn barrels, which is 76,000 bpd below the cap for the nation set under the OPEC+ deal, Bloomberg calculations showed. May was the first full month of compliance by Russia this year, just weeks before the country meets with members of the Organisation of Petroleum Exporting Countries (OPEC) to determine whether the cuts should be extended. Russia pledged to reduce its oil production under the deal by 228,000 bpd from the October baseline of about 11.418mn bpd. (Gulf-Times.com)
- **Russian and Saudi Arabian energy ministries to meet on June 10 in Moscow** – Russia and Saudi Arabia's energy ministers, Alexander Novak and Khalid Al-Falih, will chair a trade and economy commission in Moscow on June 10, the Russian energy ministry stated. They will discuss bilateral trade and economic cooperation, joint projects in energy and agriculture, the ministry stated. (Reuters)
- **First oil-backed, Shari'ah-compliant cryptocurrency issued** – The world has just got its first oil backed cryptocurrency which passed a validation by Shari'ah scholars after a Canadian fintech successfully closed its Initial Coin Offering (ICO) in form of a private placement for a unique token on May 31. PermianChain Technologies, a startup based in Toronto with a regional presence with hydrocarbon investment firm Permian Holding SPV in the GCC, finalized the issuance of the "Permian Token," a Shari'ah compliant digital asset which represents equity in proven oil and gas reserves that are held by Permian Holding SPV. The token will be used for listing digital assets that represent investments in oil reserves on a blockchain-based platform. PermianChain said it has created an "innovative, new method of investing in oil and gas campaigns, increasing efficiency preserving wealth and providing liquidity and transparency never before seen in the oil and gas investment space." The move towards Shari'ah-compliance was a strategic measure to broaden its pool of potential investors, it stated. The token has been designed to lower the barriers for investments in proven oil and gas reserves which are usually accompanied by a various broking fees and bureaucratic back-office processes with high financial barriers to enter, making the process of oil and gas investing not only complex, however also prohibitively expensive for most private investors. (Gulf-Times.com)
- **Saudi Arabia's Khalid Al Falih says OPEC+ consensus emerging on output deal in second half** – Saudi Arabian Energy Minister, Khalid Al-Falih said that consensus was emerging among the OPEC+ group of oil producers to continue working towards oil market stability in the second half of the year, the Saudi-Arabian owned Arab News newspaper reported. Oil prices in May sustained their worst monthly fall in six months on worries that trade disputes would hit demand for crude. Saudi Arabia produced 9.65mn barrels per day (bpd) of oil in May, a Saudi Arabian industry source said, a deeper cut than its target set by the Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia, a group known as OPEC+. The output target of top oil exporter Saudi Arabia under the OPEC+ supply agreement is 10.3mn bpd. In April, the country produced 9.742mn bpd, OPEC data shows. The output cut deal runs until the end of June. "We will do what is needed to sustain market stability beyond June. To me, that means drawing down inventories from their currently elevated levels," Arab News quoted Falih as saying. US crude stockpiles fell less than expected last week, data from the Energy Information Administration showed. (Reuters)
- **Saudi Arabia takes Iran's oil market share as OPEC braces for contentious meetings** – Saudi Arabia ramped up oil production last month by the most this year, largely filling the gap created by tougher US sanctions on its political rival, Iran. Iranian output plunged in May to the lowest since 1990 as the Trump administration threatened penalties for anyone trading with the Islamic Republic, according to a Bloomberg survey of officials, analysts and ship-tracking data. Nonetheless, the production boost by Saudi Arabia, along with increases in fellow OPEC members Libya and Iraq, meant that overall output from the group remained unchanged in May from the previous month. OPEC pumps about 40% of the world's oil supplies. (Gulf-Times.com)
- **Saudi Arabia's energy minister says OPEC close to agreeing oil pact extension** – Saudi Arabia stated that Organization of the Petroleum Exporting Countries (OPEC) and its allies should extend oil production cuts at around current levels as the Kingdom did not want a fight for market share with the US or a repeat of the price collapse five years ago. Saudi Arabia's Energy Minister, Khalid Al-Falih also said that OPEC is close to agreeing to extend a pact on cutting oil supplies beyond June, although more talks were still needed with non-OPEC countries that were part of the production deal. The OPEC plus Russia and other producers, an alliance known as OPEC+, have a deal to cut output by 1.2mn barrels per day (bpd) from January 1. The pact ends this month and the group meets in coming weeks to decide their next move. "On the OPEC side, a rollover is almost in the bag. The question is to calibrate with non-OPEC," he said at an economic forum in the Russian city of St Petersburg. "I don't think there will be a need to deepen the cut." "I'm hoping it will be an easy decision and that we'll roll over, but if it's not, we will be flexible in terms of our position in the Kingdom," he said. (Reuters)
- **Saudi Arabia's Falih sees oil market stabilizing 'in due course'** – Saudi Arabia's Energy Minister, Khalid Al Falih said, "My message is that the market will stabilize in due course". (Bloomberg)
- **Saudi Arabia's March non-oil exports fall by 2.9% YoY** – General Authority for Statistics in Riyadh published data on merchandise non-oil foreign trade which showed that the March non-oil exports stood at SR19.7bn as compared to SR20.3bn in the same month a year ago, representing a fall of 2.9% YoY. March non-oil trade deficit stood at SR21.4bn as compared to non-oil trade deficit of SR21.5bn in the same month a year ago, representing a fall of 0.5% YoY. (Bloomberg)

- **Dubai's May real estate sales stood at AED3,416mn; a rise of 17.1% MoM** – Dubai Land Department in Dubai published data on real estate transactions which showed that sales totaled AED3,416mn in May as compared to AED2,917mn in April, representing a rise of 17.1% MoM and a fall of 30.7% YoY. Land sales stood at AED2,263mn in May as compared to AED2,180mn in April. Unit sales came in at AED970mn in May as compared to AED581mn in April. Building sales stood at AED184mn in May as compared to AED155mn in April. Mortgage deals totaled AED11,276mn in May as compared to AED17,969mn in April. (Bloomberg)
- **BP agrees to sell Egyptian oil assets to Dubai's Dragon Oil** – BP stated that it has agreed to sell its interests in the Gulf of Suez oil concessions in Egypt to Dubai-based Dragon Oil for an undisclosed sum. Under the terms of the agreement, Dragon Oil will purchase producing and exploration concessions, including BP's interest in the Gulf of Suez Petroleum Company (GUPCO). Reuters reported last month that London-based BP was nearing the sale of the Egyptian assets to Dragon Oil for over \$600mn, citing industry and banking sources. The deal, which is subject to the Egyptian Ministry of Petroleum and Mineral Resources' approval, is expected to complete during the second half of 2019, BP stated. It is part of BP's plan to divest over \$10bn over the next 2 years, it said, however the deal's financial details were not disclosed. The sale comes as BP focuses its operations on Egypt's vast offshore gas reserves. In February, BP launched the Giza/Fayoum field in the West Nile Delta offshore area which is expected to produce around 60,000 barrels of oil equivalent per day. BP's total net production in Egypt reached 49,000 bpd of oil and gas liquids and 878 million cubic feet per day of gas in 2018, according to its 2018 annual report. "Egypt is a core growth and investment region for BP," Chief Executive Officer Bob Dudley said in a statement. "In the past four years we have invested around \$12bn in Egypt – more than anywhere else in our portfolio — and we plan another \$3bn investment over the next two years," he said. (Reuters)
- **DP World wants to operate ports along Russia's northern sea route** – DP World, one of the world's largest port operators, wants to run ports that Russia plans to build along the northern sea route in the Arctic to shorten shipping times between the east and west, its CEO told Reuters. Russian President Vladimir Putin has made developing the northern sea route (NSR) - which requires new ports and heavy icebreakers to move goods - one of his priorities, with supporters dubbing the route the northern Suez Canal. Dubai government-controlled DP World operates 78 marine and inland terminals, supported by more than 50 related businesses in over 40 countries. The firm agreed with the Russian Direct Investment Fund (RDIF), Russian state nuclear firm Rosatom and Nornickel, one of the world's top nickel and palladium producers, a joint project to pursue the integrated development of the NSR. The deal is not legally binding and the parties will first study options for developing the route and may set up a joint venture later to develop freight transit via the NSR. (Reuters)
- **Kuwait's April bank claims on private sector fall to KD38,988.8mn** – Central Bank of Kuwait published data on local bank assets which showed that total bank assets fell to KD38,988.8mn in April from KD39,252.1mn in March. Bank credit to residents fell to KD37,161.6mn in April from KD37,420.8mn in March. Bank foreign assets rose to KD14,158.8mn in April from KD13,954.3mn in March. (Bloomberg)
- **Kuwait's April M1 money supply rose 1.8% YoY** – Central Bank of Kuwait (CBK) published data on monetary aggregates which showed that the M1 money supply rose 1.8% YoY and 4.5% MoM. The 4.5% growth in M1 reflects a KD0.4bn monthly increase in sight deposits which grew to KD9.1bn in April from KD8.7bn in March. Sight deposits have grown for the fourth straight month. The M2 money supply aggregate fell 0.3% MoM. A fall of KD0.6bn in quasi-money offset increase in sight deposits. (Bloomberg)
- **Oman to impose 100% tax on tobacco, alcohol and pork meat starting next week** – Oman will introduce 100% tax on tobacco, alcohol and pork meat from June 15, as it follows other Gulf governments in trying to pare its reliance on oil revenue. Energy drinks will also be subject to a 100% levy and there will be a 50% tax on carbonated drinks, according to the Secretariat General for Taxation website. The new taxes could generate about \$260mn annually, Head of the economic and financial committee at the Shura Council, Saleh bin Said Masan said in November. (Bloomberg)
- **Oman-based Sohar's new \$1bn power plant starts operation** – Shinas Generating Company (SGC) has announced the commencement of commercial operations at its power plant in Oman's Sohar Industrial Port Area. The power plant (Sohar-3), the second largest power plant in the sultanate, generates 1,710 megawatts (MW), an Oman News Agency reported. CEO, Abdullah bin Ali Al-Nofli said that the plant is built using advanced, reliable and efficient combined cycle technologies and this makes Sohar-3 one of the most efficient power plants in the Sultanate from an operational perspective. Sohar-3 operates on natural gas as primary fuel and can operate on diesel as backup fuel, he said. The project sponsors (Mitsui, Acwa and DIDIC) have invested around \$1bn to complete this project, he added. The company had awarded more than OMR68mn of contracts to local companies, he said. More than 70% of the workforce in the company operating Sohar-3, First National Operation and Maintenance Company (NOMAC), are Omani nationals. SGC has entered into a 15-year power purchase agreement (PPA) with state-owned Oman Power and Water Procurement Company (OPWP). Sohar-3 is connected to a newly constructed 400KV electricity transmission network and to the Main Interconnected System (MIS) to serve commercial and industrial establishments. (Zawya)
- **Bahrain's money supply surges to BHD13.2bn in 1Q2019** – Bahrain's money supply (M3) increased to BHD13.2bn at the end of the first quarter of this year compared to BHD12.4bn at the end of 1Q2018, according to data released by the Central Bank of Bahrain (CBB). The data also indicates that the CBB's foreign exchange reserves increased from BHD530.7mn at the end of the 1Q2018, to BD1,105.9mn at the end of 1Q2019, Bahrain News Agency reported. The total balance sheet of the banking system increased 9.7% cent from BHD71.1bn at the end of 1Q2018 to BHD78.0bn at the end of 1Q2019. The total value of outstanding loans and credit facilities provided by retail banks amounted to BHD9623.2mn at the end of 1Q2019

compared to BHD8986.8mn at the end of the first quarter of 2018, an increase of 7.1%. This amount includes loans and facilities provided to institutions amounting to BHD5,092.8mn at the end of the first quarter of this year compared to BHD4,748.2mn at the end of the same period last year. The capital adequacy index for the banking system as at end of March 2019 stands at 18.2% compared to 18.8% at the end of March 2018, which is well above the Central Bank of Bahrain's minimum requirement of 12.5%. Non-performing loans for the banking sector remained stable at 5.6% during the same period. (Zawya)

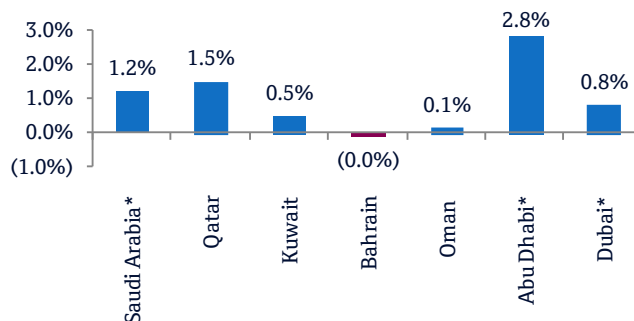
- **Bahrain's foreign-exchange reserves double from a year ago** – Bahrain's foreign-exchange reserves more than doubled in a year, central bank data showed, as the tiny Gulf Kingdom undertakes a fiscal program to boost its economy. Reserves rose to BHD1.1bn at the end of the first quarter of 2019, from BHD530.7mn in the year-ago period, the bank stated. It reported a preliminary balance of payments surplus of BHD209.4mn, as compared to BHD52mn deficit last year. (Bloomberg)
- **Aluminum Bahrain CEO says 232 is not bringing back US output** – CEO of Aluminum Bahrain, Tim Murray said that “On 232, I think the tariffs have become part of the business. We don't view it as a good thing with the US market short several million tons.” He said that Alcoa and Century Aluminum results did not significantly benefit from tariffs and does not think they'll be bringing back production. He does not think there will be a change in aluminum premiums, despite tariffs being lifted on Canada, the biggest supplier to the US. He added that there is a real impact on the consumer. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg (*Data as on May 30, 2019)

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,340.81	0.4	2.7	4.6
Silver/Ounce	15.02	0.8	3.1	(3.1)
Crude Oil (Brent)/Barrel (FM Future)	63.29	2.6	(1.9)	17.6
Crude Oil (WTI)/Barrel (FM Future)	53.99	2.7	0.9	18.9
Natural Gas (Henry Hub)/MMBtu	2.43	1.3	(4.3)	(23.8)
LPG Propane (Arab Gulf)/Ton	48.00	6.7	(2.0)	(24.4)
LPG Butane (Arab Gulf)/Ton	40.25	4.5	(13.0)	(42.5)
Euro	1.13	0.5	1.5	(1.2)
Yen	108.19	(0.2)	(0.1)	(1.4)
GBP	1.27	0.3	0.9	(0.1)
CHF	1.01	0.4	1.3	(0.6)
AUD	0.70	0.3	0.9	(0.7)
USD Index	96.54	(0.5)	(1.2)	0.4
RUB	64.84	(0.4)	(0.9)	(7.0)
BRL#	0.26	0.0	1.1	0.0

Source: Bloomberg (#Market was closed on June 07, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,126.88	1.1	3.9	12.9
DJ Industrial	25,983.94	1.0	4.7	11.4
S&P 500	2,873.34	1.0	4.4	14.6
NASDAQ 100	7,742.10	1.7	3.9	16.7
STOXX 600	377.48	1.3	3.9	10.7
DAX	12,045.38	1.2	4.4	13.1
FTSE 100	7,331.94	1.3	3.3	9.0
CAC 40	5,364.05	2.0	4.6	12.3
Nikkei	20,884.71	0.6	1.8	6.6
MSCI EM	1,007.39	0.5	0.9	4.3
SHANGHAI SE Composite#	2,827.80	0.0	(2.5)	12.9
HANG SENG#	26,965.28	0.0	0.2	4.2
BSE SENSEX	39,615.90	0.0	0.1	10.4
Bovespa	97,821.26	1.1	2.5	11.8
RTS	1,325.95	0.5	3.0	24.1

Source: Bloomberg (*\$ adjusted returns, #Market was closed on June 07, 2019)

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