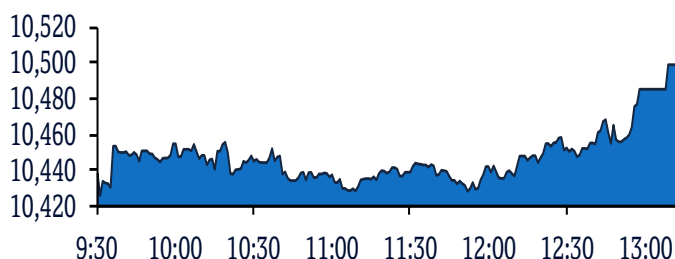


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.6% to close at 10,500.5. Gains were led by the Transportation and Banks & Financial Services indices, gaining 1.8% and 0.6%, respectively. Top gainers were Mannai Corporation and Islamic Holding Group, rising 9.7% and 3.4%, respectively. Among the top losers, Al Khaleej Takaful Insurance Company fell 5.5%, while Qatar General Insurance & Reinsurance Company was down 3.1%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.3% to close at 8,854.5. Gains were led by the Transport. and Soft. & Serv. indices, rising 2.3% and 2.1%, respectively. Maharah Human Resources rose 5.9%, while Aldrees Petrol. & Transp. Serv. was up 5.6%.

**Dubai:** The DFM Index gained marginally to close at 2,656.2. The Investment & Financial Services index rose 0.9%, while the Insurance index gained 0.6%. Ekttitab Holding Company rose 7.2%, while Al Salam Group Holding gained 7.0%.

**Abu Dhabi:** The ADX General Index gained 0.2% to close at 5,022.2. The Investment & Financial Services index rose 1.2%, while the Banks index gained 0.4%. Waha Capital Company rose 1.5%, while Manazel Real Estate was up 1.4%.

**Kuwait:** The Kuwait All Share Index gained 1.3% to close at 6,096.0. The Technology index rose 10.0%, while the Real Estate index gained 2.4%. Al Mal Investment Company rose 11.4%, while Automated Systems Co. was up 10.0%.

**Oman:** The MSM 30 Index gained marginally to close at 3,824.1. Gains were led by the Services and Industrial indices, rising 0.2% and 0.1%, respectively. Dhofar Cattle Feed rose 18.4%, while National Gas was up 5.0%.

**Bahrain:** The BHB Index gained 0.4% to close at 1,538.3. The Commercial Banks index rose 0.7%, while the Industrial index gained 0.5%. National Bank of Bahrain rose 3.0%, while Aluminium Bahrain was up 0.5%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Mannai Corporation	3.94	9.7	1,618.1	(28.3)
Islamic Holding Group	2.75	3.4	1,950.9	25.9
United Development Company	1.43	2.9	2,303.7	(3.1)
Qatar Gas Transport Company Ltd.	2.26	2.7	2,652.9	26.0
Medicare Group	7.97	2.4	1,397.9	26.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.41	0.5	5,614.6	(0.2)
Al Khaleej Takaful Insurance Co.	1.88	(5.5)	3,891.6	118.9
Ezdan Holding Group	0.73	0.1	3,541.6	(44.1)
Qatar Gas Transport Company Ltd.	2.26	2.7	2,652.9	26.0
Qatar Aluminium Manufacturing	1.00	(0.1)	2,636.1	(25.5)

Market Indicators	09 July 19	08 July 19	%Chg.
Value Traded (QR mn)	131.2	192.5	(31.9)
Exch. Market Cap. (QR mn)	576,339.7	573,982.1	0.4
Volume (mn)	42.8	64.0	(33.1)
Number of Transactions	4,601	5,160	(10.8)
Companies Traded	45	43	4.7
Market Breadth	25:12	8:30	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,321.74	0.6	(0.6)	6.5	14.8
All Share Index	3,101.07	0.5	(0.8)	0.7	14.7
Banks	4,055.59	0.6	(1.3)	5.9	14.1
Industrials	3,225.81	0.2	(0.7)	0.3	16.2
Transportation	2,507.59	1.8	(0.0)	21.8	13.5
Real Estate	1,555.78	0.4	(0.7)	(28.9)	13.0
Insurance	3,116.63	(0.1)	0.7	3.6	18.0
Telecoms	926.03	0.3	0.1	(6.3)	19.0
Consumer	8,202.64	0.5	0.5	21.5	16.0
Al Rayan Islamic Index	4,077.52	0.5	(0.3)	5.0	14.0

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Mabaneer Co.	Kuwait	0.77	3.8	1,755.9	34.3
Comm. Bank of Kuwait	Kuwait	0.55	3.8	109.3	21.0
Human Soft Holding Co.	Kuwait	3.18	3.7	380.0	(3.0)
National Bank of Bahrain	Bahrain	0.69	3.0	33.6	24.4
Qatar Gas Transport Co.	Qatar	2.26	2.7	2,652.9	26.0

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Ind. Inv. Group	Saudi Arabia	22.50	(3.4)	1,184.2	(1.7)
Bank Dhofar	Oman	0.14	(1.5)	19.7	(13.0)
Saudi Kayan Petrochem.	Saudi Arabia	11.32	(1.4)	7,196.3	(14.2)
Samba Financial Group	Saudi Arabia	34.75	(1.3)	1,768.3	10.7
Yanbu National Petro. Co.	Saudi Arabia	59.10	(1.0)	509.7	(7.4)

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

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Al Khaleej Takaful Insurance Co.	1.88	(5.5)	3,891.6	118.9
Qatar General Ins. & Reins. Co.	3.75	(3.1)	83.9	(16.4)
Investment Holding Group	0.58	(1.7)	2,367.4	17.6
Qatar Islamic Insurance Company	5.73	(1.2)	42.2	6.7
Doha Insurance Group	1.20	(0.8)	0.8	(8.3)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.89	0.4	36,280.5	(3.1)
Medicare Group	7.97	2.4	11,145.5	26.3
Al Khaleej Takaful Insurance Co.	1.88	(5.5)	7,402.4	118.9
Mannai Corporation	3.94	9.7	6,160.3	(28.3)
Qatar Gas Transport Company	2.26	2.7	5,895.9	26.0

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*	10,500.46	0.6	(0.6)	0.4	2.0	36.00	158,320.5	14.8	1.6	4.2
Dubai	2,656.20	0.0	(0.2)	(0.1)	5.0	32.20	95,608.2	11.8	1.0	4.6
Abu Dhabi	5,022.17	0.2	0.5	0.8	2.2	35.92	139,750.9	14.9	1.5	4.9
Saudi Arabia	8,854.49	0.3	0.1	0.4	13.1	766.74	555,654.9	19.7	2.0	3.3
Kuwait	6,096.03	1.3	2.4	4.5	20.0	219.29	113,808.9	15.3	1.5	3.4
Oman	3,824.09	0.0	0.0	(1.6)	(11.6)	3.36	16,785.9	7.6	0.8	7.2
Bahrain	1,538.31	0.4	1.8	4.6	15.0	9.49	24,024.8	11.2	1.0	4.9

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 rose 0.6% to close at 10,500.5. The Transportation and Banks & Financial Services indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Mannai Corporation and Islamic Holding Group were the top gainers, rising 9.7% and 3.4%, respectively. Among the top losers, Al Khaleej Takaful Insurance Company fell 5.5%, while Qatar General Insurance & Reinsurance Company was down 3.1%.
- Volume of shares traded on Tuesday fell by 33.1% to 42.8mn from 64.0mn on Monday. Further, as compared to the 30-day moving average of 145.9mn, volume for the day was 70.7% lower. Qatar First Bank and Al Khaleej Takaful Insurance Company were the most active stocks, contributing 13.1% and 9.1% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	33.55%	39.20%	(7,411,966.36)
Qatari Institutions	26.30%	32.96%	(8,738,989.59)
<b>Qatari</b>	<b>59.85%</b>	<b>72.16%</b>	<b>(16,150,955.95)</b>
GCC Individuals	0.81%	0.52%	384,282.14
GCC Institutions	2.23%	4.84%	(3,421,867.92)
<b>GCC</b>	<b>3.04%</b>	<b>5.36%</b>	<b>(3,037,585.78)</b>
Non-Qatari Individuals	11.97%	9.92%	2,683,605.42
Non-Qatari Institutions	25.14%	12.56%	16,504,936.31
<b>Non-Qatari</b>	<b>37.11%</b>	<b>22.48%</b>	<b>19,188,541.73</b>

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

## Ratings, Earnings Releases, Global Economic Data and Earnings Calendar

### Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Emirates REIT CEIC Ltd	Fitch	Dubai	LT-IDR	BB+	BB	↓	Stable	–
Chubb Arabia Cooperative Insurance Company	Moody's	Saudi Arabia	IFSR	A3	A3	–	Stable	–

Source: News reports, Bloomberg (\* LT – Long Term, IDR – Issuer Default Rating, IFSR – Insurance Financial Strength Rating)

### Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2019	% Change YoY	Operating Profit (mn) 2Q2019	% Change YoY	Net Profit (mn) 2Q2019	% Change YoY
United Electronics Company	Saudi Arabia	SR	1,161.4	14.4%	72.7	41.2%	72.5	59.0%

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

## Earnings Calendar

Tickers	Company Name	Date of reporting 2Q2019 results	No. of days remaining	Status
QNBK	QNB Group	10-Jul-19	0	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	10-Jul-19	0	Due
WDAM	Widam Food Company	15-Jul-19	5	Due
MARK	Masraf Al Rayan	15-Jul-19	5	Due
QGMD	Qatari German Company for Medical Devices	16-Jul-19	6	Due
IHGS	Islamic Holding Group	16-Jul-19	6	Due
QFLS	Qatar Fuel Company	17-Jul-19	7	Due
QIBK	Qatar Islamic Bank	17-Jul-19	7	Due
QIIK	Qatar International Islamic Bank	17-Jul-19	7	Due
ERES	Ezdan Holding Group	18-Jul-19	8	Due
ABQK	Ahli Bank	18-Jul-19	8	Due
NLCS	Aljjarah Holding	18-Jul-19	8	Due
QEWS	Qatar Electricity & Water Company	21-Jul-19	11	Due
GWCS	Gulf Warehousing Company	21-Jul-19	11	Due
QIGD	Qatari Investors Group	22-Jul-19	12	Due
KCBK	Al Khalij Commercial Bank	23-Jul-19	13	Due
MCGS	Medicare Group	24-Jul-19	14	Due
UDCD	United Development Company	24-Jul-19	14	Due
QGRI	Qatar General Insurance & Reinsurance Company	24-Jul-19	14	Due
DHBK	Doha Bank	24-Jul-19	14	Due
AKHI	Al Khaleej Takaful Insurance Company	25-Jul-19	15	Due
QIMD	Qatar Industrial Manufacturing Company	25-Jul-19	15	Due
ORDS	Ooredoo	29-Jul-19	19	Due
DBIS	Dlala Brokerage & Investment Holding Company	30-Jul-19	20	Due
DOHI	Doha Insurance Group	31-Jul-19	21	Due
QISI	Qatar Islamic Insurance Company	4-Aug-19	25	Due
QOIS	Qatar Oman Investment Company	5-Aug-19	26	Due

Source: QSE

## News

### Qatar

- BofAML: Investors upbeat, blockade not a concern** – Seeing limited risks of geopolitical escalation in the region, the investors are upbeat on GCC credit market. The GCC bonds are still seen as cheap vs. similar-rated peers, Bank of America Merrill Lynch's (BofAML) noted in its report on GCC debt capital market. The Qatari blockade is not seen as a topic of concern. Unsurprisingly, it has influenced the investments various investors can make. Qatari investors, for example, are heavily focused on Qatari investments. There is also good interest in Turkish assets (particularly from Qatar), despite the headwinds the country currently faces. GCC banks continue to predominately invest in GCC assets with maturities shorter than 10 years, as has been the case historically. For now, risk weights remain at '0' percent including for high-yield (HY) names like Bahrain, although weightings may change during 2020 to move in line with global standards. Thus, BofAML believes the local bid for GCC sovereigns is set to remain robust. However, conviction levels on the market currently are generally fairly low, particularly after such strong returns earlier in the year. Given that many local credit investors hedge their rates exposure, BofAML expects lower US rates volatility would help drive investor interest and push credit spreads tighter. Furthermore, it expects local investors would take advantage of any underperformance in GCC bonds, which should mitigate potential weakness. (Peninsula Qatar)

- US, Qatar commit to advance high-level strategic cooperation** – HH the Emir Sheikh Tamim bin Hamad Al-Thani and the President of the US, Donald Trump discussed the strong bilateral strategic cooperation between the two countries and ways of promoting and enhancing them in various fields. The meeting, which was held at the White House Tuesday, also discussed the most important developments regionally and internationally. At the outset of the meeting, the US President welcomed the Emir, praising the strong and excellent relations between the two friendly countries, and his personal relationship with HH the Emir. The US President underlined that the Emir is a real leader who is highly respected in an important part of the world, hailing Qatar's large investments in the US and the huge agreements which will be signed later in the day in the fields of trade, investment and defense. Trump highlighted the role of Al Udeid Air Base and its strategic importance in the Middle East, terming it as one of the biggest military bases in the world. For his part, the Emir thanked the US President for the hospitality, and affirmed the strength of the relations between the two countries, pointing out to the agreements and memorandums of understanding which will be signed in the framework of the economic partnership between Qatar and the US. (Gulf-Times.com)
- QOIS to disclose 2Q2019 financial statements on August 05** – Qatar Oman Investment Company (QOIS) announced its intent

to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 05, 2019. (QSE)

- **QFC discusses investing in 4IR at WEF's New Champions meeting** – The Qatar Financial Centre (QFC), one of the world's leading and fastest growing onshore business and financial centers, recently participated at the World Economic Forum's Annual Meeting of the New Champions, under the theme 'Leadership 4.0: Succeeding in a New Era of Globalization', in Dalian, China. Yousuf Mohamed Al Jaida, Chief Executive Officer, QFC Authority and Sheikh Alanoud bint Hamad Al Thani, Managing Director, Business Development, QFC Authority, joined high profile business leaders from around the world in roundtable discussions that addressed the future of investing in the Fourth Industrial Revolution (4IR) as well as, alternative investment strategies that facilitate economic diversification. Yousuf Mohamed Al Jaida said, "Qatar and the QFC are committed to sustainable economic development which remains a key national priority especially as the global economy transforms through the fourth industrial revolution. While digitalization of the economy offers unique challenges, it also affords immense business opportunities across industries ranging from fintech to sports, which is why the QFC has made these sectors a strategic focus." Al Jaida added, "The Annual Meeting of the New Champions provides a unique opportunity to address the international challenges and opportunities that characterize the global landscape today by bringing together international thought leaders and entrepreneurs to discuss innovation and other important topics." (Peninsula Qatar)
- **Chevron Phillips Chemical and Qatar Petroleum plan to jointly develop US Gulf Coast petrochemical project** – Chevron Phillips Chemical Company and Qatar Petroleum have signed an agreement to develop a new petrochemical plant in the Gulf Coast region of the US. Chevron Phillips Chemical would be the majority owner with a 51% share, while Qatar Petroleum would own 49%. The preliminary cost of USGC II is about \$8bn. Chevron Phillips Chemical and Qatar Petroleum expects a final investment decision (FID) no later than 2021. (Bloomberg)
- **PSA: Qatar municipalities issued 463 building permits in June** – The number of building permits issued by municipalities in Qatar fell 30% to 463 in June 2019 compared to April 2019, according to the latest data published by the Planning and Statistics Authority (PSA). PSA explained the drop in permits was due to Eid Al Fitr holidays, during which all building permits services rendered by official agencies comes to a halt. The decrease in permits was noted in the following municipalities: Al Sheehaniya (51%), Al Rayyan (32%), Al Da'ayen (30%), Al Wakrah (28%), and the percentage for the rest of the municipalities stood at 25%. Based on geographical distribution, Al Rayyan municipality issued the maximum number of building permits (125), 27% of the total issued permits. (Qatar Tribune)
- **Vodafone Qatar expands GigaNet fiber network rollout in West Bay** – Vodafone Qatar has expanded the rollout of its GigaNet fiber network in West Bay, with more than 55 commercial and residential towers now connected. Thousands of businesses, hotels and government institutions operate out of the commercial district of West Bay. Vodafone Qatar's fiber enables a large suite of business services, including high-speed

Corporate Internet, Security services, Broadband and Fixed Voice solutions. (Gulf-Times.com)

#### International

- **Declining US job openings point to cooling labor market** – US job openings fell in May, pulled down by declines in the construction and transportation industries, potentially flagging a slowdown in employment growth in the months ahead. The Job Openings and Labor Turnover Survey, or JOLTS report from the Labor Department on Tuesday also showed a sharp drop in hiring in May, but layoffs remained low. After hitting an all-time high of 7.6mn in late 2018, job openings have been flat this year, suggesting some cooling in the labor market. Still, the labor market remains strong. That is helping to underpin the economy, which is slowing amid trade tensions, tepid global growth and fading stimulus from last year's massive tax cuts and increased government spending. Job openings, a measure of labor demand, slipped by 49,000 to a seasonally adjusted 7.3 million in May, the government said in the JOLTS report. The job openings rate dipped to 4.6% from 4.7% in April. Vacancies in the construction industry dropped by 65,000 in May. Job openings in the transportation, warehousing, and utilities sector declined by 60,000, while unfilled positions in the real estate and rental and leasing industry fell 49,000. Construction and transportation industries have been identified as among those struggling with worker shortages. (Reuters)
- **Eurozone tries to revive pooled debt plan, ending risk-free government bonds** – The head of the Eurogroup of Eurozone finance ministers is proposing to revive talks on a plan to pool the debt of Eurozone countries, three EU sources told Reuters on Tuesday, in a bid to reduce the shortage of triple-A rated bonds in the bloc. The plan aims to overcome opposition to the idea of a Eurozone safe asset by offering reluctant states the prospect of making government bond holdings more expensive for banks - thus limiting their exposure. The proposal by Eurogroup President Mario Centeno was received "with caution" by finance ministers at a meeting on Monday, the sources said. A persistent shortage of triple-A rated bonds has kept momentum for a pooled Eurozone sovereign bond alive despite opposition from Germany. The Eurozone's largest economy has so far rejected any proposal that could potentially leave its taxpayers on the hook for the debts of other countries. At Monday's meeting, Centeno proposed to set up three working groups to address contentious issues that have so far prevented a reform of the Eurozone, officials said, suggesting they conclude their work by December. One group would focus on the "Regulatory Treatment of Sovereign Exposures", the officials said. Debt of Eurozone countries is currently considered risk-free - favourable treatment compared with other securities that have encouraged banks to pile up sovereign bonds in their balance sheets. (Reuters)
- **France to tax flights from its airports, airline shares fall** – France will introduce a tax on airlines flying from its airports to help support the environment, the transport minister said on Tuesday, in a move expected to raise around 180mn Euros from 2020. Shares in airlines across Europe fell on the news. However, activists said the new tax was unlikely to change consumer behavior at the proposed levels and was low compared with other countries. Brussels-based NGO Transport



and Environment (T&E) estimates airline taxes raise about 1bn Euros per year in Germany and more than 3bn in Britain. The new French tax will be 1.5 Euros for flights within France or the European Union, 3 Euros for economy flights out of the EU, 9 Euros for intra-EU business class and up to 18 Euros for business class tickets out of the EU. Transit flights will not be taxed. (Reuters)

- **Japan export curbs could be prolonged, says South Korea's Moon** – South Korea's president said on Wednesday Japan's export curbs on key materials used by South Korean technology firms could be prolonged and Seoul will help companies reduce their reliance on Japanese suppliers. Japan said last week it would tighten restrictions on exports of three materials used in smartphone displays and chips, citing a dispute with Seoul over South Koreans forced to work for Japanese firms during World War Two. "We can't rule out the possibility that the situation would be prolonged, despite our diplomatic efforts to resolve the issue," President Moon Jae-in said at a meeting with executives from South Korea's top 30 conglomerates. The action hit South Korea's chip industry - the backbone of Asia's fourth-biggest economy - and potentially threatens to disrupt global supplies of memory chips made by Samsung Electronics and SK Hynix. "It is a very regrettable situation, but we have no choice but to prepare for all possibilities," said Moon, adding that the government will sharply increase spending to help Korean firms source parts, materials and equipment domestically. (Reuters)
- **China's June factory prices flat, food costs stay high** – China's producer prices unexpectedly showed no growth in June from a year earlier, raising concerns a slowdown in manufacturing activity will further drag on economic growth. On the other hand, June's consumer price growth in annual terms matched a 15-month high seen in May as supply shortages triggered by the African swine fever outbreak and extreme weather conditions continued to push up pork and fruit prices. China's Producer Price Index (PPI) in June was flat from a year earlier, the National Bureau of Statistics (NBS) said in a statement. That compared with a 0.6% rise in May and a gain of 0.3% forecast by economists in a Reuters poll. The change in the PPI was the lowest since August 2016 when the index last fell YoY. A cooling in producer prices, seen as a gauge of industrial demand that gives momentum to investment and profits in the Chinese economy, may rekindle worries about deflation and prompt the authorities to launch more aggressive stimulus. Upstream sectors were particularly weak, with prices for oil and natural gas extraction down 1.8% from a year earlier, the NBS data showed. Price gains in the coal mining sector also eased. (Reuters)

### Regional

- **Insurers foresee rise in employer-sponsored healthcare costs** – Insurers in the Middle East and Africa (MEA) region believe that the increased number of non-communicable diseases (NCDs) will increase employer-sponsored healthcare costs to a very large extent over the next three years. Medical trend, which is defined as a change in healthcare costs, is also influenced by the price inflation, a study conducted by Mercer Marsh Benefits (MM) has revealed. About 41% of insurers who participated in the survey believe that next three years will see

a significant increase in the healthcare costs. In Qatar, the study titled 'Understanding the Drivers of Medical Inflation in MEA', projected a medical trend rate of 11% for 2019, with a 3.5% forecast inflation rate this year. (Peninsula Qatar)

- **Saudi Arabia's cabinet says extension to cuts will help oil market stability** – Saudi Arabia's cabinet commended the agreement of the OPEC+ grouping to extend oil production cuts until the end of the first quarter of 2020, the Saudi Press Agency reported. The Saudi Arabian cabinet stated that the agreement will contribute to the stability of oil markets, a statement quoted by the state news agency stated. OPEC, Russia and other non-OPEC members, a grouping known as OPEC+, agreed this month to extend their oil supply cut by 1.2mn bpd (barrels per day) until the end of March 2020. (Reuters)
- **Moody's updates financial strength rating of CHUBB Arabia Cooperative Insurance Co. to 'A3'** – CHUBB Arabia has announced that Moody's has updated its credit opinion of 'A3' insurance financial strength rating (IFSR) assigned to Chubb Arabia Cooperative Insurance Company, with a 'Stable' outlook. The 'A3' IFSR of Chubb Arabia reflects the good stand-alone fundamentals of its operations reflecting its (a) Strong asset quality driven by a conservative invested asset quality, (b) Strong capitalization, (c) strong profitability aided by stringent underwriting as well as one notch support stemming from its affiliation to Chubb Group. The 'Stable' rating outlook reflects Moody's expectation that, with the support of Chubb Group, Chubb Arabia will maintain its strong profitability. (Tadawul)
- **Saudi Aramco awards \$18bn in contracts to boost capacity at Marjan, Berri oilfields** – Saudi Aramco has awarded 34 contracts with a total value of \$18bn for engineering, procurement and construction projects at its Marjan and Berri oilfields, the company stated. Saudi Aramco plans to boost production capacity at the two fields by 550,000 barrels per day of Arabian crude oil and 2.5bn standard cubic feet a day of gas, the company stated. The company's maximum sustained oil output capacity is currently 12mn barrels per day, the statement added. Saudi Arabian companies account for 50% of the awarded contracts in a bidding process that involved more than 90 companies and institutions. The offshore oilfield development project aims to increase the Marjan Field's production by 300 thousand barrels of oil per day of Arabian Medium Crude Oil, process 2.5 for billion standard cubic feet per day of gas, and produce an additional 360 thousand barrels of oil per calendar day of ethane. Saudi Aramco also plans to add 250,000 barrels of Arabian Light Crude per day from the offshore Berri oilfield. (Reuters)
- **Saudi Arabia's Savola issues SR1bn Sukuk** – Savola Group, Saudi Arabia's largest food products company, confirmed that it has raised SR1bn in Sukuk, in a deal arranged by the Saudi Arabian arm of HSBC. Savola made the deal public in a bourse filing, confirming sources. Savola and other consumer goods companies in Saudi Arabia are suffering from the effects of subsidy cuts, the introduction of VAT sales tax and an exodus of expatriates, which have all put pressure on consumer spending. The company had stated in May that it has planned to issue the bonds to back its financial and strategic needs. Savola's bonds, issued last week, offer investors a profit rate

equivalent to 160 basis points over the 6-month Saudi interbank offered rate (SIBOR). Sources said that the deal was priced at the level at which it was initially marketed, which is unusual in bond markets, where new issues tend to price below initial price guidance, reflecting demand. A spokesman for Savola referred to the company's filing, which said subscription requests for the new bonds exceeded the issuance value by more than 1.6 times. Around half the value of the privately placed Sukuk, with a seven-year maturity, was exchanged with previous Islamic bonds issued by the company, Savola stated. Savola's issue comes after Saudi Arabia this year reduced fees for new debt offerings and annual registration charges for issuers, as part of efforts to spur local market activity. (Reuters)

- **London beats New York in attracting Saudi Arabian ETFs** – Investors betting on Saudi Arabian shares are showing a clear preference for funds listed in Europe over the US. The contrasting picture may come down to which market offers lower fees and more attractive treatment on taxes and dividends. An exchange-traded fund (ETF) focused on Saudi Arabian equities offered by BlackRock Inc. in New York since 2015, the year when the oil-rich Kingdom started opening up to foreigners, drew net inflows of about \$626mn this year, quadrupling in size from the end of 2018. Still, that's dwarfed by the \$1.5bn that has poured into BlackRock's London-listed ETF, which has very similar objectives however, is only three months old. A London-listed fund is run by Invesco Ltd. that was started last year has attracted \$1.1bn in 2019. Saudi Arabian stocks have outperformed as index compilers including MSCI Inc. promote the biggest market in the Middle East and Africa (MEA) to their major emerging-market benchmarks, spurring billions in purchases by passive investors. The New York and London ETFs are studded with large caps that will benefit from the upgrades and have become a favored option for individual investors placing a wager on the Saudi Arabian market. BlackRock started its London fund after "significant client demand for an exposure to take advantage of Saudi Arabia's reclassification," a spokeswoman for BlackRock said. (Bloomberg)
- **UAE's May consumer prices rise 1% MoM; fall 1.1% YoY** – Federal Competitiveness and Statistics Authority in Dubai published UAE's consumer price indices, which showed that prices rose 1% MoM in May as compared to 0.2% in the previous month and fell 1.1% YoY. The price index for recreation and culture grew 10% MoM. Transportation index grew 5%; textiles, clothing and footwear grew 2%. (Bloomberg)
- **Dubai's June whole economy PMI at 58.4 vs 58.5 in May** – In a release by Emirates NBD and IHS Markit release for Dubai's whole economy, the Purchasing Managers' Index (PMI) for Dubai fell to 58.4 in June 2019 from 58.5 in May 2019 and 56 in June 2018. The output rose to 68.6 in June 2019 as compared to 68.3 in May 2019. This is the highest reading since the series began. (Bloomberg)
- **Fitch downgrades Emirates REIT to 'BB'; with a 'Stable' outlook** – Fitch Ratings has downgraded the Emirates REIT's Long-Term Issuer Default Rating (IDR) to 'BB' from 'BB+'. The Outlook remains 'Stable'. Fitch has also downgraded the Sukuk trust certificates, issued through Emirates REIT Sukuk Limited, to 'BB' in line with Emirates REIT's IDR. The downgrade reflects

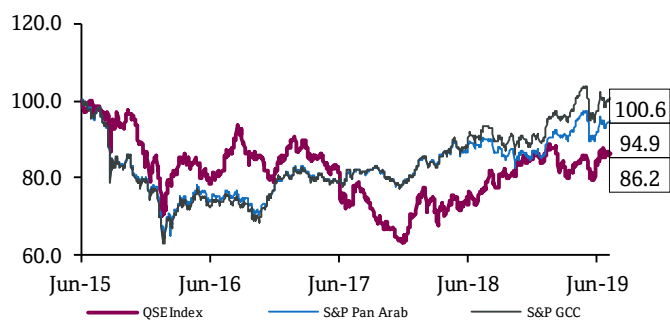
the property company being unable to achieve Fitch's base case, which had been predicated on steady de-leveraging and increasing occupancy. Long delays in infrastructure development by the Dubai International Financial Centre (DIFC) that will improve access to the Index Tower - the company's largest asset - combined with a school operator default and a stagnating economy in Dubai, have slowed expected growth in profitability. Weaker EBITDA margins and higher debt pushed net debt/EBITDA to about 13.0x at end-2018 from 10.8x at end-2017. Total occupancy, which can be volatile owing to portfolio concentration, decreased to 75% at end-2018 (end-2017: 84%). The 'Stable' Outlook reflects Fitch's expectation that Emirates REIT will gradually increase occupancy and rental income, mainly through letting available space in its Index Tower, despite the challenging operating environment. This should enable the company to reduce end-2018's high cash flow leverage. (Bloomberg)

- **Dubai's jobless recovery adds asterisk to biggest boom in years** – Dubai is getting by with less as the Emirate's economic turnaround leaves a trail of job losses. Although business confidence is on the rise, narrowing margins are forcing companies to keep their payrolls tight as selling prices fall. An employment index compiled by Emirates NBD dropped to 49.9 last month, the lowest since February, even as the bank's Dubai Economy Tracker continues to hover near a four-year high. "Firms remain reluctant to boost headcount," Head of Middle East and North Africa Research at Emirates NBD, Khatija Haque said in a report. Employment in the labor-intensive tourism industry was in contraction through the second quarter, a period when the sector had the best performance since the survey began in 2015. Even in wholesale and retail, where employment was marginally higher in June, only 1% of firms indicated an increase in hiring. The discrepancy was especially jarring in Dubai's bellwether construction industry. Although output rose at a record pace and new orders accelerated, employment fell for a third straight month. "This highlights the focus on efficiency and productivity in an environment of declining selling prices and margin compression for many businesses," she said. (Bloomberg)
- **Abu Dhabi fund said to buy 30% of CVC's Domestic & General** – Abu Dhabi's sovereign wealth fund has agreed to buy a 30% stake in Domestic & General Group Ltd., the UK appliance warranty provider owned by CVC Capital Partners, sources said. The deal with the Abu Dhabi Investment Authority could be announced as soon as Wednesday in London, according to sources. The transaction values Domestic & General, which is used by one-third of UK households, at just over \$1.25bn, sources said. CVC is opting for a deal with ADIA, one of the world's largest sovereign wealth funds, instead of an Initial Public Offering (IPO) of the business due to market uncertainty, sources said. The transaction is expected to close by the end of the year, according to sources. (Bloomberg)
- **ACWA Power, Mubadala seal deal with UAE utility for desalination plant** – Federal Electricity & Water Authority (FEWA), and a consortium of ACWA Power and a subsidiary of Mubadala Investment Co, have sealed a water purchase agreement for a desalination plant in Umm Al Quwain, one of the seven Emirates in the UAE. FEWA will hold a 20% stake

while ACWA Power and Mubadala will each own 40%, a joint statement said, adding that the government of Umm Al Quwain will join as a partner and own a stake at a later date in the 150mn gallons per day plant. (Reuters)

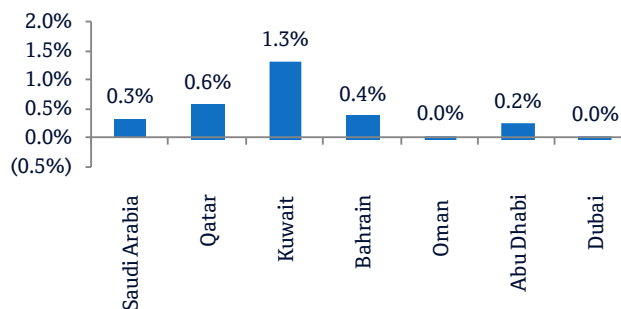
- **Kuwait's May bank claims on private sector rise to KD39,476.3mn** – Central Bank of Kuwait published data on local bank assets, which showed that the total bank assets rose to KD39,476.3mn in May from KD38,988.8mn in April. The bank credit to residents rose to KD37,567.5mn in May from KD37,161.6mn in April. Bank's foreign assets rose to KD14,273.3mn in May from KD14,158.8mn in April. In terms of monetary aggregates, Kuwait's May M1 money supply rose 4.2% MoM, and 3.7% YoY. The 4.2% growth in M1 reflects a KD0.3bn monthly increase in sight deposits which grew to KD9.4bn in May from KD9.1bn in April as well as a KD0.2bn increase in currency in circulation. Sight deposits have grown for fourth straight month. The M2 aggregate fell 1.5% MoM as quasi-money dropped by KD1bn. (Bloomberg)
- **NBK reports net income of KD101.6mn in 2Q2019** – National Bank of Kuwait (NBK) reported net income of KD101.6mn in 2Q2019 as compared to KD92.3mn in 2Q2018. The operating revenue came in at KD226.3mn in 2Q2019 as compared to KD228.7mn in 2Q2018. The operating profit came in at KD151.7mn in 2Q2019. The 12.5% rise in 1H2019 profit attributes to higher net interest income, higher fees and commission, and lower loan provision charges. (Bloomberg)
- **Boubyan Bank reports net income of KD14.3mn in 2Q2019** – Boubyan Bank reported net income of KD14.3mn in 2Q2019 as compared to KD13.2mn in 2Q2018. The operating revenue came in at KD36.7mn in 2Q2019 as compared to KD36.5mn in 2Q2018. The rise in profit attributes to higher financing income which was offset by financing cost and distribution to depositors. (Bloomberg)
- **Kuwait Petroleum hires NBK Capital to advise on \$2bn financing** – Kuwait Petroleum Corp (KPC) has hired NBK Capital to advise it on a financing of around \$2bn that is likely to come from Kuwaiti banks, sources said. Sources said that negotiations for the financing were in their early stages. The state-owned oil company plans to invest hundreds of billions of Dollars by 2040 as part of efforts to boost its crude oil production capacity to 4.75mn barrels per day by that date. The firm's former CEO, Nizar Al-Adsani, said last year KPC is looking to spend \$114bn by 2023 and an additional \$394bn beyond that up to 2040. The CEO of Kuwait's Warba Bank, Shaheen Al-Ghanem, told Reuters last week that Warba Bank is competing to get a lead role in a KD350mn loan for KPC. (Reuters)
- **Bahrain sells BHD26mn of 3.18% 182-day Sukuk; bid-cover at 5.07x** – Bahrain sold BHD26mn of 182 day Sukuk, with a yield of 3.18% due on January 9, 2020. Investors offered to buy 5.07 times the amount of securities sold. The Sukuk will settle on July 11, 2019. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,397.59	0.1	(0.1)	9.0
Silver/Ounce	15.11	0.5	0.8	(2.5)
Crude Oil (Brent)/Barrel (FM Future)	64.16	0.1	(0.1)	19.3
Crude Oil (WTI)/Barrel (FM Future)	57.83	0.3	0.6	27.4
Natural Gas (Henry Hub)/MMBtu	2.41	0.8	5.2	(24.4)
LPG Propane (Arab Gulf)/Ton	46.75	(2.1)	(1.1)	(27.0)
LPG Butane (Arab Gulf)/Ton	46.50	(1.6)	0.0	(33.1)
Euro	1.12	(0.1)	(0.2)	(2.3)
Yen	108.85	0.1	0.4	(0.8)
GBP	1.25	(0.4)	(0.4)	(2.3)
CHF	1.01	0.0	(0.2)	(1.2)
AUD	0.69	(0.6)	(0.7)	(1.7)
USD Index	97.49	0.1	0.2	1.4
RUB	63.90	0.3	0.1	(8.3)
BRL	0.26	0.2	0.5	2.1

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,193.64	(0.0)	(0.5)	16.4
DJ Industrial	26,783.49	(0.1)	(0.5)	14.8
S&P 500	2,979.63	0.1	(0.4)	18.9
NASDAQ 100	8,141.73	0.5	(0.2)	22.7
STOXX 600	387.92	(0.6)	(0.7)	12.5
DAX	12,436.55	(0.9)	(1.1)	15.4
FTSE 100	7,536.47	(0.6)	(0.6)	9.6
CAC 40	5,572.10	(0.4)	(0.5)	15.3
Nikkei	21,565.15	0.0	(1.1)	9.3
MSCI EM	1,042.47	(0.4)	(1.6)	7.9
SHANGHAI SE Composite	2,928.23	(0.3)	(2.7)	17.2
HANG SENG	28,116.28	(0.9)	(2.5)	9.1
BSE SENSEX	38,730.82	0.0	(2.0)	9.1
Bovespa <sup>#</sup>	104,530.20	0.0	0.9	21.1
RTS	1,394.86	(0.3)	(0.3)	30.5

Source: Bloomberg (\*\$ adjusted returns, <sup>#</sup>Market was closed on July 09, 2019)

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