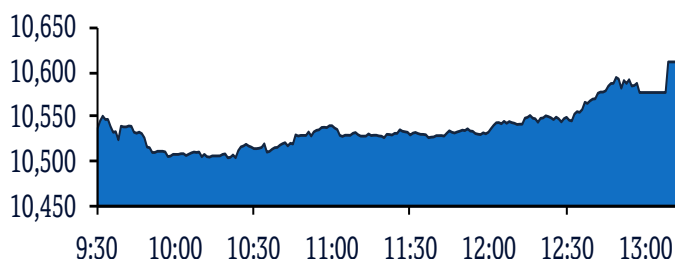


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.6% to close at 10,613.3. Gains were led by the Insurance and Telecoms indices, gaining 2.6% and 2.5%, respectively. Top gainers were Doha Bank and Widam Food Company, rising 4.3% and 4.2%, respectively. Among the top losers, Medicare Group fell 3.1%, while Mannai Corporation was down 2.5%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.7% to close at 8,968.2. Gains were led by the Utilities and Insurance indices, rising 3.3% and 2.3%, respectively. Gulf General Cooperative Insurance rose 10.0%, while Bupa Arabia for Coop. Ins. was up 4.9%.

Dubai: The DFM Index fell 0.1% to close at 2,685.6. The Real Estate & Const. index declined 0.5%, while the Insurance index fell 0.1%. Emaar Malls declined 2.5%, while Dar Al Takaful was down 1.7%.

Abu Dhabi: The ADX General Index gained 0.5% to close at 5,052.4. The Real Estate index rose 1.7%, while the Banks index gained 0.7%. Methaq Takaful Insurance Company rose 3.5%, while The National Bank of Ras Al-Khaimah was up 2.2%.

Kuwait: The Kuwait All Share Index gained marginally to close at 6,127.1. The Telecom. index rose 1.7%, while the Financial Services index gained 1.0%. Credit Rating & Collection rose 20.2%, while Tijara & Real Estate Inv. was up 9.6%.

Oman: The MSM 30 Index fell 0.1% to close at 3,808.3. Losses were led by the Industrial and Services indices, falling 0.4% and 0.2%, respectively. United Finance fell 6.9%, while Oman Flour Mills was down 3.6%.

Bahrain: The BHB Index fell 0.2% to close at 1,537.1. The Commercial Banks index declined 0.3%, while the Services index fell 0.2%. BMMI declined 1.9%, while Ahli United Bank was down 0.7%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Doha Bank	2.65	4.3	4,345.9	19.4
Widam Food Company	6.50	4.2	2,029.6	(7.1)
Ooredoo	7.02	4.0	2,653.1	(6.4)
Qatar Insurance Company	3.65	3.1	585.9	1.7
Qatar Gas Transport Company Ltd.	2.31	2.2	5,806.8	28.8

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.41	0.5	7,962.1	0.0
Ezdan Holding Group	0.73	(0.3)	7,936.1	(43.8)
Mazaya Qatar Real Estate Dev.	0.81	0.0	6,652.7	3.2
Qatar Gas Transport Company Ltd.	2.31	2.2	5,806.8	28.8
Doha Bank	2.65	4.3	4,345.9	19.4

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,613.32	0.6	0.4	1.5	3.1	66.06	160,129.2	15.1	1.7	4.1
Dubai	2,685.58	(0.1)	0.9	1.0	6.2	66.07	96,248.0	11.9	1.0	4.6
Abu Dhabi	5,052.43	0.5	1.1	1.5	2.8	55.84	140,436.4	15.0	1.5	4.9
Saudi Arabia	8,968.23	0.7	1.4	1.7	14.6	1,043.97	561,801.4	20.0	2.0	3.2
Kuwait	6,127.12	0.0	3.0	5.1	20.6	187.37	114,417.5	15.3	1.5	3.4
Oman	3,808.32	(0.1)	(0.4)	(2.0)	(11.9)	4.74	16,738.6	7.5	0.8	7.2
Bahrain	1,537.09	(0.2)	1.7	4.5	14.9	4.48	24,018.5	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)

Market Indicators	11 July 19	10 July 19	%Chg.
Value Traded (QR mn)	239.1	177.1	35.0
Exch. Market Cap. (QR mn)	582,924.1	580,419.1	0.4
Volume (mn)	73.1	63.5	15.2
Number of Transactions	7,141	5,544	28.8
Companies Traded	43	43	0.0
Market Breadth	22:15	21:15	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,529.40	0.6	0.4	7.6	15.1
All Share Index	3,134.44	0.5	0.3	1.8	15.1
Banks	4,101.57	0.2	(0.2)	7.1	14.4
Industrials	3,236.00	0.1	(0.4)	0.7	16.3
Transportation	2,544.84	1.0	1.4	23.6	15.6
Real Estate	1,571.56	0.3	0.4	(28.1)	13.1
Insurance	3,199.86	2.6	3.4	6.4	18.5
Telecoms	945.41	2.5	2.2	(4.3)	19.4
Consumer	8,291.94	0.6	1.6	22.8	16.1
Al Rayan Islamic Index	4,094.61	0.2	0.1	5.4	14.0

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Bupa Arabia for Coop. Ins.	Saudi Arabia	106.40	4.9	202.7	31.4
Ooredoo	Qatar	7.02	4.0	2,653.1	(6.4)
Saudi Arabian Mining Co.	Saudi Arabia	48.30	4.0	1,291.2	(2.0)
Saudi Electricity Co.	Saudi Arabia	19.68	3.7	3,174.8	30.0
Bank Al Bilad	Saudi Arabia	28.25	3.5	1,955.2	29.6

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Comm. Bank of Kuwait	Kuwait	0.54	(4.1)	10.0	19.2
Arab National Bank	Saudi Arabia	25.95	(3.0)	1,614.5	22.0
Emaar Malls	Dubai	1.97	(2.5)	4,316.2	10.1
Agility Pub. Warehousing	Kuwait	0.81	(1.8)	5,176.3	15.9
National Shipping Co.	Saudi Arabia	27.90	(1.1)	692.8	(16.5)

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%
Medicare Group	8.14	(3.1)	1,164.0	29.0
Mannai Corporation	3.90	(2.5)	475.9	(29.0)
Qatar National Cement Company	6.25	(2.2)	1,072.2	5.0
Qatar Industrial Manufacturing	3.77	(1.0)	60.0	(11.7)
The Commercial Bank	4.77	(0.8)	961.9	21.1

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.25	0.2	48,631.4	(1.3)
Industries Qatar	11.44	0.0	21,391.8	(14.4)
Ooredoo	7.02	4.0	18,449.7	(6.4)
Qatar Gas Transport Company	2.31	2.2	13,298.7	28.8
Widam Food Company	6.50	4.2	13,231.5	(7.1)

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index rose 0.6% to close at 10,613.3. The Insurance and Telecoms 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.
- Doha Bank and Widam Food Company were the top gainers, rising 4.3% and 4.2%, respectively. Among the top losers, Medicare Group fell 3.1%, while Mannai Corporation was down 2.5%.
- Volume of shares traded on Thursday rose by 15.2% to 73.1mn from 63.5mn on Wednesday. However, as compared to the 30-day moving average of 140.8mn, volume for the day was 48.1% lower. Qatar First Bank and Ezdan Holding Group were the most active stocks, contributing 10.9% and 10.9% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	27.46%	37.24%	(23,389,768.86)
Qatari Institutions	17.95%	26.60%	(20,671,807.07)
Qatari	45.41%	63.84%	(44,061,575.93)
GCC Individuals	1.32%	1.02%	713,499.01
GCC Institutions	2.41%	5.90%	(8,367,283.95)
GCC	3.73%	6.92%	(7,653,784.94)
Non-Qatari Individuals	10.90%	12.24%	(3,209,799.29)
Non-Qatari Institutions	39.97%	17.00%	54,925,160.16
Non-Qatari	50.87%	29.24%	51,715,360.87

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

Earnings Releases, Global Economic Data and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2019	% Change YoY	Operating Profit (mn) 2Q2019	% Change YoY	Net Profit (mn) 2Q2019	% Change YoY
Oman Cables Industry**	Oman	OMR	107.1	-14.9%	-	-	3.9	0.4%
Oman Chromite	Oman	OMR	1.1	28.8%	-	-	0.2	-51.5%
Celebrity National Financial Services ***	Oman	OMR	3.1	-93.7%	-	-	-143.1	N/A
SMN Power Holding**	Oman	OMR	40.8	-12.9%	8.1	-7.9%	3.7	-2.0%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (**Figures for 6M2019, *Values in Thousands)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/11	US	Bureau of Labor Statistics	CPI MoM	June	0.1%	0.0%	0.1%
07/11	US	Bureau of Labor Statistics	CPI YoY	June	1.6%	1.6%	1.8%
07/11	US	Department of Labor	Initial Jobless Claims	6-July	209k	221k	222k
07/11	US	Department of Labor	Continuing Claims	29-June	1,723k	1,683k	1,696k
07/12	EU	Eurostat	Industrial Production SA MoM	May	0.9%	0.2%	-0.4%
07/12	EU	Eurostat	Industrial Production WDA YoY	May	-0.5%	-1.5%	-0.4%
07/11	Germany	German Federal Statistical Office	CPI MoM	June	0.3%	0.3%	0.3%
07/11	Germany	German Federal Statistical Office	CPI YoY	June	1.6%	1.6%	1.6%
07/11	France	INSEE National Statistics Office	CPI MoM	June	0.2%	0.2%	0.2%
07/11	France	INSEE National Statistics Office	CPI YoY	June	1.2%	1.2%	1.2%
07/12	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	May	2.0%	-	2.3%
07/12	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	May	-2.1%	-	-1.8%
07/12	India	India Central Statistical Organisation	CPI YoY	June	3.2%	3.1%	3.1%
07/12	India	India Central Statistical Organisation	Industrial Production YoY	May	3.1%	2.9%	3.4%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 2Q2019 results	No. of days remaining	Status
WDAM	Widam Food Company	15-Jul-19	1	Due
MARK	Masraf Al Rayan	15-Jul-19	1	Due
QGMD	Qatari German Company for Medical Devices	16-Jul-19	2	Due
IHGS	Islamic Holding Group	16-Jul-19	2	Due
QFLS	Qatar Fuel Company	17-Jul-19	3	Due
QIBK	Qatar Islamic Bank	17-Jul-19	3	Due
QIIK	Qatar International Islamic Bank	17-Jul-19	3	Due
ERES	Ezdan Holding Group	18-Jul-19	4	Due
ABQK	Ahli Bank	18-Jul-19	4	Due
NLCS	Aljarah Holding	18-Jul-19	4	Due

Tickers	Company Name	Date of reporting 2Q2019 results	No. of days remaining	Status
QEWS	Qatar Electricity & Water Company	21-Jul-19	7	Due
GWCS	Gulf Warehousing Company	21-Jul-19	7	Due
QIGD	Qatari Investors Group	22-Jul-19	8	Due
KCBK	Al Khalij Commercial Bank	23-Jul-19	9	Due
MCGS	Medicare Group	24-Jul-19	10	Due
UDCD	United Development Company	24-Jul-19	10	Due
QGRI	Qatar General Insurance & Reinsurance Company	24-Jul-19	10	Due
DHBK	Doha Bank	24-Jul-19	10	Due
QAMC	Qatar Aluminum Manufacturing Company	25-Jul-19	11	Due
AKHI	Al Khaleej Takaful Insurance Company	25-Jul-19	11	Due
QIMD	Qatar Industrial Manufacturing Company	25-Jul-19	11	Due
QFBQ	Qatar First Bank	28-Jul-19	14	Due
VFQS	Vodafone Qatar	29-Jul-19	15	Due
ORDS	Ooredoo	29-Jul-19	15	Due
AHCS	Aamal Company	30-Jul-19	16	Due
DBIS	Dlala Brokerage & Investment Holding Company	30-Jul-19	16	Due
DOHI	Doha Insurance Group	31-Jul-19	17	Due
IQCD	Industries Qatar	1-Aug-19	18	Due
GISS	Gulf International Services	4-Aug-19	21	Due
QISI	Qatar Islamic Insurance Company	4-Aug-19	21	Due
SIIS	Salam International Investment Limited	5-Aug-19	22	Due
MPHC	Mesaieed Petrochemical Holding Company	5-Aug-19	22	Due
ZHCD	Zad Holding Company	5-Aug-19	22	Due
QOIS	Qatar Oman Investment Company	5-Aug-19	22	Due

Source: QSE

News

Qatar

- **AHCS to disclose 2Q2019 financial statements on July 30** – Aamal Company (AHCS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 30, 2019. (QSE)
- **VFQS to disclose 2Q2019 financial statements on July 29** – Vodafone Qatar (VFQS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 29, 2019. (QSE)
- **MERS to disclose 2Q2019 financial statements on August 06** – Al Meera Consumer Goods Company (MERS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 06, 2019. (QSE)
- **QCFS to disclose 2Q2019 financial statements on July 29** – Qatar Cinema & Film Distribution Company (QCFS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 29, 2019. (QSE)
- **QATI to disclose 2Q2019 financial statements on July 30** – Qatar Insurance Company (QATI) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 30, 2019. (QSE)
- **QNNS to disclose 2Q2019 financial statements on July 29** – Qatar Navigation (QNNS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 29, 2019. (QSE)
- **The Commercial Bank's Turkish unit Alternatif raises capital** – The Commercial Bank's Turkish unit Alternatif Bank has increased paid-in-capital by 290.9mn Liras to 1.73bn Liras. The lender has increased its capital by over 750mn Liras since

beginning of 2018. Further, the bank plans more \$300mn capital increase by 2023. The bank's capital adequacy ratio rises above 18%. (Bloomberg)

- **Qatar Airways announces over \$1bn order for 18 Gulfstream aircraft** – Qatar Airways announced a significant order for 18 Gulfstream aircraft during a ceremony at the White House on July 9, 2019 that was witnessed by Amir HH Sheikh Tamim bin Hamad Al Thani and US President, Donald Trump. The order worth over \$1bn is for 14 Gulfstream G650ER and four Gulfstream G500 and will add to Qatar Executive's growing fleet that currently includes six G650ER and four G500 aircraft. Qatar Executive has been a Gulfstream customer since October 2014, when the charter service was announced as the international launch customer for the all-new G500 as part of a large fleet agreement that included the G650ER. Since that time, Qatar Executive has progressively increased their Gulfstream orders. This latest one, for a mixed fleet of large-cabin aircraft valued at over \$1bn, further builds on the airline's efforts to expand the Gulfstream cabin experience around the world. (Peninsula Qatar)
- **QCB Governor: Islamic finance plays important role in Qatar's banking sector** – Islamic finance plays a vital role in the financial banking sector in Qatar, Qatar Central Bank's (QCB) Governor, Sheikh Abdullah bin Saud Al Thani stated in the annual report on Islamic finance in Qatar, issued by of Bait Al-Mashura Finance Consultations. Sheikh Abdullah said the QCB has been interested in Islamic finance since its inception, issuing circulars and providing the appropriate regulatory environment that considers its privacy until the Islamic finance market in Qatar is ranked the first among the best countries

having strong laws and regulations. He said, “The previous year has been a positive turning point to fostering the strength and power of the banking system in the country by taking advantage of the siege on Qatar. The QCB has adopted a proactive approach to address local and regional challenges to avoid any sudden shocks. It also ensured the strengthening of financial positions of banks and reduces their exposure to unconscionable risk.” (Qatar Tribune)

- **Credit growth by Islamic banks records highest in service, industries sectors** – The contribution of Qatar’s Islamic banks to finance the consumer sector was greater than that of other sectors. The contribution ratio in financing this sector stood at 45.4% of entire credit to this sector by the conventional banks, Bait Al-Mashura’s Islamic Finance Report on Qatar noted. The credit facilities to the Industry sector increased in 2018 compared to previous years. The contribution of Islamic banking finance to the industry sector represented 36.7% of the total finance, followed by the real estate sector with 36.2%. Meanwhile, the finance of Islamic banks focused on the private sector and to individual finance, compared to conventional banks, which were mostly focused on the government sector. The proportion of Islamic bank finance directed towards the local sector is higher than its traditional counterparts. During the five-year period, the compound annual growth rate of finances in Islamic banks in the State of Qatar was 5.7%. (Peninsula Qatar)
- **Fitch Solutions: Rising private consumption to support Qatar’s growth** – Rising government spending and subdued inflation will facilitate an increase in private consumption in Qatar, Fitch Solutions stated as the researcher forecasted Qatari real GDP growth to inch up to 2.5% this year from 2.3% in 2018. Fitch Solutions expect investment to continue to rise, albeit at a slower pace than in 2018. Meanwhile, export growth will remain sluggish due to limited gains in hydrocarbon output, keeping the headline growth rate far below the 10-year average of 6.7%, the researcher in its latest outlook. In its 2019 budget, the government announced its intention to substantially increase the number of public sector jobs, particularly within the health, education, defense and security segments. Furthermore, the government has now postponed the planned implementation of a GCC-wide 5% value-added tax, which means that inflation will likely remain subdued over the quarters ahead. “Rising employment and subdued price pressures will create conditions that are conducive to household spending growth, which we forecast at 4.6% in 2019, compared with an estimated 3.6% in 2018,” Fitch Solutions stated. Investment will continue to expand, albeit at a significantly slower pace than in 2018. Fitch Solutions expect investment levels to remain high in Qatar over the quarters ahead, driven by large scale infrastructure projects linked to the 2022 FIFA World Cup and the government’s Vision 2030 economic diversification program. (Gulf-Times.com)
- **Fitch Solutions: Qatar’s private sector credit demand to remain healthy in 2019** – Qatar’s private sector credit demand will remain healthy in 2019 as economic activity inches up, Fitch Solutions stated and noted private sector loans have seen double-digit expansion throughout the past 10 months. Private sector loans constituted a majority (57%) of total loans in the

country, driven primarily by the services and trade segments, the researcher stated in its latest country report. Overall Fitch Solutions forecasted loan growth to reach 3.6% YoY in 2019, up from 3.2% in 2018, implying a modest increase in Qatar’s loan-to-deposit ratio (LDR) to 1.168 this year, compared with 1.161 in 2018. “Should liquidity pressures re-emerge, we would expect the authorities to extend further support for banks’ funding,” Fitch Solutions stated. The researcher believes the authorities remain both willing and able to inject liquidity into the system in order to protect broader macroeconomic stability (both through placement of deposits and other measures such as maintaining favorable central bank lending and repo rates). The credit quality of Qatari bank assets remains solid, with non-performing loans (NPLs) recorded at 2.1% of total loans in 2017 and estimated by the IMF to have reached 2.9% in 2018. Fitch Solutions forecasted a slight increase in Qatari banks’ NPLs over the quarters ahead, driven primarily by sluggish performance in sectors such as contracting, real estate and tourism, where oversupply has become somewhat of an issue. However, it does not expect this to pose a threat to wider system stability, particularly as loan-loss provisions remain high (at above 100%). (Gulf-Times.com)

- **Kahramaa awards 34 contracts worth QR565mn to local companies in 1H2019** – Qatar General Electricity & Water Corporation (Kahramaa) has awarded 34 works, services and supply contracts worth a total value of about QR565mn to local factories and companies, while the value of supplying electrical cables and electric power plates produced locally during the period of the contracts in force and concluded with local firms amounted to approximately QR250mn. Kahramaa’s contract comes as part of its efforts to support and encourage local industries and products through the opportunities offered by the corporation to supply products and materials for its projects in the country. Essa bin Hilal Al Kuwari, President of Kahramaa, said that the corporation is keen to provide alternatives from the local market and to localize industries related to the electricity and water sectors through supporting national companies and to give priority to local products, as the Kahramaa seeks to increase the role of these companies in the procurement processes and encourages and support local SMEs to continue their participation in tenders offered by the corporation. (Peninsula Qatar)
- **Qatar tourism sees positive trend this summer** – Immigration policies and initiatives launched by the Qatar National Tourism Council (QNTC) have helped the country witness a positive trend this summer season, according to an industry expert. “Thanks to the marketing and promotional programs of QNTC, as well as the government’s easing of visa policies for more than 80 countries, these initiatives have given more tourists the chance to come to Qatar and experience Arab hospitality,” Al Tawfeeq Travel country Head – Qatar Rehan Ali Syed said. In May, QNTC Secretary-General and Qatar Airways Group CEO, HE Akbar Al-Baker announced the launch of SiQ – which is described as Qatar’s biggest summer program and runs until August 16. Al-Baker said QNTC’s main objective this summer season is to bring public and private stakeholders together under one summer theme campaign that can be packaged to both citizens and residents of Qatar, along with attracting

international travelers to showcase what our lovely country has to offer. (Gulf-Times.com)

- **Qatar-France trade stood at QR14bn in 2018** – The volume of trade between Qatar and France stood at QR14bn in 2018, disclosed the French envoy, adding that Qatar was a strong and dynamic country that could tide over all obstacles. French Ambassador Franck Gellet said, “Trade between both the countries has been going up and the level of our exchange in 2018 amounted to QR14bn. It shows that Qatar remains a very strong country whatever be the circumstances. The dynamism of both the countries has led to this progress. There is greater interest from both countries to work together.” (Gulf-Times.com)

International

- **US producer prices rise marginally, suggest tame inflation** – The US producer prices rose slightly for the second straight month in June as acceleration in the cost of services was offset by cheaper energy goods, resulting in the smallest annual increase in producer inflation in nearly two-and-a-half years. The report from the Labor Department also showed a slowdown in underlying producer prices last month, a sign that overall inflation could remain moderate for a while despite strong gains in prices of some consumer goods and services in June. The tepid readings also suggested that tariffs on Chinese imports were not yet having an impact on inflation. The producer price index for final demand edged up 0.1% last month after a similar gain in May. In the 12 months through June, the PPI rose 1.7%, the smallest gain since January 2017, slowing from a 1.8% increase in May. Economists polled by Reuters had forecasted the PPI unchanged in June and increasing 1.6% on a YoY basis. Excluding the volatile food, energy and trade services components, producer prices were unchanged in June after rising 0.4% for two straight months. The so-called core PPI increased 2.1% in the 12 months through June after advancing 2.3% in May. (Reuters)
- **US weekly jobless claims fall to three-month low** – The number of Americans filing applications for unemployment benefits dropped to a three-month low last week, suggesting sustained labor market strength that could help support a slowing economy. Initial claims for state unemployment benefits declined 13,000 to a seasonally adjusted 209,000 for the week ended July 6, the lowest level since April, the Labor Department said. Data for the prior week was revised to show 1,000 more applications received than previously reported. Economists polled by Reuters had forecast claims rising to 223,000 in the latest week. The four-week moving average of initial claims, considered a better measure of labor market trends as it irons out week-to-week volatility, fell 3,250 to 219,250 last week. The Labor Department said no claims were estimated last week. The claims data is entering a period of volatility as auto manufacturers temporarily shut down assembly plants for summer retooling. Companies carry out the plant closures at different times, which can throw off the model the government uses to strip out seasonal fluctuations from the data. (Reuters)
- **IEA sees oil market oversupplied in 2019 on US production** – Surging US oil output will outpace sluggish global demand and lead to a large stocks build around the world in the next nine months, the International Energy Agency (IEA) said. The forecasts appear to predict the need for producer club OPEC and its allies to reduce production to balance the market despite extending their existing pact, forecasting a fall in demand for OPEC crude to only 28mn barrels per day (bpd) in early 2020. “Market tightness is not an issue for the time being and any rebalancing seems to have moved further into the future. Clearly, this presents a major challenge to those who have taken on the task of market management,” the IEA said in its monthly report, referring to the OPEC and producer allies such as Russia. (Reuters)
- **QNB Group: Tightening physical market to exert upward pressure on oil prices** – QNB Group expects oil prices to tick up as tightening physical market will exert upward pressure on crude price, the banking major stated in its weekly economic commentary. QNB Group has forecasted Brent prices to average \$72/b in 2020. Brent crude oil prices, it stated, have been particularly volatile in recent quarters, ranging between \$86/b-\$50/b late last year and \$74/b-\$59/b so far in 2019. This article aims to discuss the background behind these price movements and present an outlook for the coming quarters. In 2018, Brent crude prices averaged \$72/b, up from \$55/b in 2017. Years of oversupply caused OECD commercial inventories to balloon well above their five-year average. Then between 2Q2017, and 1Q2018, tighter supply depleted global inventories, leading to a recovery in prices. On the demand side, global synchronized growth had generated strong demand expansion, especially in the US, China, and other Asian countries, QNB Group stated. (Gulf-Times.com)
- **Eurozone’s industrial output rises more than expected in May** – Eurozone’s industrial production rose more than expected in May, data showed, offsetting declines in the past two months and defying gloomy forecasts caused by prolonged trade tensions. The positive reading could undermine European Central Bank policymakers who favor more stimulus to counter weak growth and low inflation in the Eurozone, although economists warn the improvement may only be temporary. The EU statistics agency Eurostat said Eurozone factory output increased by 0.9% in May on the month, above market consensus expectations of a 0.2% rise. The most pessimistic expected drops up to 0.5%. Eurostat also revised upward its April data, which now shows a 0.4% drop in production instead of the 0.5% estimated earlier. Production had fallen in March by 0.3% and was flat in February, after a 2.0% increase in January. The rise in May was caused by a surge in the output of non-durable consumer goods, such as clothes and packaged food, which went up by 2.7%. In a sign that industry managers were optimistic about consumers’ long-term purchasing plans, the output of durable goods, like refrigerators and cars, grew by 2.3%. Production of capital goods, like machinery, rose 1.3%. (Reuters)
- **IMF sees prolonged anemic growth in euro zone, urges ECB stimulus** – The Eurozone economy faces rising risks stemming from trade tensions, Brexit and Italy, the International Monetary Fund (IMF) said in an annual report, where it also backed the European Central Bank’s (ECB) plans for fresh stimulus. In the report, its last on the Eurozone before the Fund’s managing director Christine Lagarde leaves in November to head the ECB, the IMF said the bank’s plans to

keep monetary policy accommodative were vital as the currency bloc faces a prolonged period of anemic growth and inflation. The report also said the Euro remained slightly undervalued despite having appreciated last year, confirming a Reuters report last month. It urged countries with large trade surpluses, including Germany and the Netherlands, to invest more to help rebalance the exchange rate. Output growth in the 19-nation currency bloc will slow to 1.3% this year from 1.9% in 2018, the Fund said, rebounding to 1.6% in 2020. The IMF's forecasts were slightly better than those released on Wednesday by the European Commission, the EU's executive arm, which saw Eurozone's growth at 1.2% this year and 1.4% in 2020. However, the Washington-based Fund sees growing risks from global trade tensions, uncertainty caused by Britain's unclear path to leave the EU and Italy's vulnerability caused by its high debt, of which a large portion is held by domestic banks. (Reuters)

- **German inflation moves closer to ECB target, revised data shows** – German annual inflation accelerated to 1.5% in June but remained below the European Central Bank's (ECB) target, final data from the Federal Statistics Office showed. The reading for German consumer prices - harmonized to make it comparable with inflation data from other European Union countries - was revised up after preliminary data released at the end of June had shown prices increased by 1.3% YoY. The ECB targets inflation of close to but below 2% for the Eurozone as a whole. Inflation in the Eurozone has long been below the ECB's target and the European Commission lowered its estimates for Eurozone growth and inflation, saying uncertainty over US trade policy posed a major risk to the bloc. (Reuters)
- **INSEE: French inflation confirmed at 1.4% in June** – French inflation picked up last month from the lowest rate in nearly two years, the INSEE official statistics agency said, confirming a previous estimate. INSEE said consumer prices rose 0.3% last month, giving a 12-month rate of 1.4%, after 1.1% in May. (Reuters)
- **Reuters poll: Japan's June core inflation seen near two-year low, exports slip** – Japan's core consumer inflation in June likely slowed to its weakest in nearly two years and exports fell for a seventh straight month, a Reuters poll showed, keeping the central bank under pressure to expand its stimulus program. The core consumer price index, which includes oil products but excludes volatile fresh food costs, was expected to rise 0.6% in June from a year earlier, a poll of 15 economists showed, compared with 0.8% in May. June core inflation would be the weakest since July 2017 when the index rose 0.5%. (Reuters)
- **China June trade surplus with US rises 11% to \$29.92bn** – China's trade surplus with the US, a major source of friction with its biggest trading partner, rose 11% in June to \$29.92bn from \$26.9bn in May, customs data showed. For the first half of 2019, China's trade surplus with the US rose 5% to \$140.48bn, from \$133.76bn in the same period in 2018. China's imports from the US slumped 31.4% in June from a year earlier, following a near 27% drop in May. Its exports to the US fell by a sharper 7.8% in June, compared with a decline of 4.2% in May. June marked the first full month of higher US tariffs on \$200bn of Chinese goods, which Washington announced weeks earlier

after trade talks between the world's largest economies broke down. (Reuters)

- **China's June exports, imports fall as trade war takes heavier toll** – China's exports fell in June as the US ramped up trade pressure, while imports shrank more than expected, pointing to further weakness in the world's second-largest economy and slackening global growth. June exports fell 1.3% from a year earlier, not as much as the 2% drop analysts had expected but reversing a surprise gain in May when shippers rushed to beat more US tariffs, customs data showed. Imports fell 7.3%, a sharper drop than the 4.5% expected and following a 8.5% contraction in May, suggesting domestic demand remains tepid despite a flurry of growth measures since last year. That left China with a trade surplus of \$50.98bn last month, compared with a \$41.66bn surplus in May. (Reuters)
- **China June new loans rise to three-month high, still below forecasts** – New bank loans in China rose to a three-month high in June as policymakers sought to keep ample funds in the financial system to support the slowing economy amid rising US trade pressure. Most analysts have forecast the Chinese economy would stabilize in the second half of this year after a flurry of support measures, but weak data for June so far is raising expectations that more stimulus is needed. Chinese banks extended 1.66tn Yuan in net new Yuan loans in June, up from 1.18tn Yuan in May but less than expected, according to data released by the People's Bank of China. The figure was also lower than the tally in June 2018. Analysts polled by Reuters had predicted new loans would rise to a five-month high of 1.7tn Yuan. Lending typically picks up in June from May. (Reuters)
- **India's June inflation hits eight-month high but rate cut still possible** – India's retail inflation hit a eight-month high in June on higher food prices, but stayed below the central bank's target, potentially giving it room for a further interest rate easing to boost slowing growth. Annual retail inflation in June was 3.18%, up from 3.05% the previous month, but below analyst forecasts, government data showed. A Reuters poll had predicted retail inflation at 3.20% for June. Core consumer inflation, which strips out food and fuel prices, was estimated at an annual 4.09-4.11% in June, marginally lower than May's 4.1-4.2%, according to three analysts after seeing the inflation figures. Further, India's industrial output in May climbed 3.1% from a year earlier, but lagged forecast, government data showed. Analysts polled by Reuters had forecasted an annual increase of 3.2% in industrial output. (Reuters)

Regional

- **Oil prices to influence GCC banks' performance** – Geopolitics and oil are key for GCC banks for 2019-2020. The GCC banks' financial profiles should remain stable for the remainder of these years, absent any unexpected geopolitical shock or significant drop in oil prices, S&P's Midyear 2019 banking outlook noted. The banks' lending growth should stabilize at 4% -6% as public investments support growth. Returns on assets and net interest margins are to benefit from stable interest rates and significant noninterest bearing deposits. Stage 2 loans in some GCC countries reveal a few challenges given the stress on the respective economies. S&P expects problematic loans (Stage 2 and Stage 3) to remain stable at

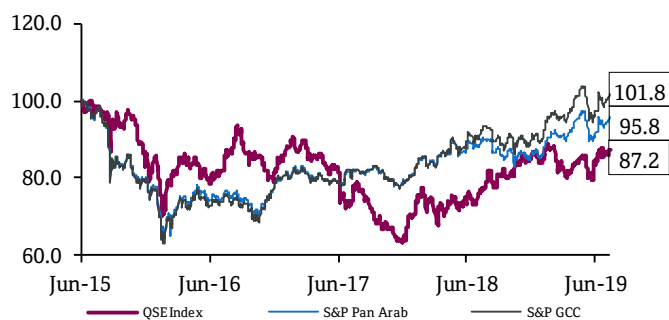
about 15% of total loans over the next 12-24 months. S&P's Midyear 2019 Global Banking Outlook stated that credit conditions remain supportive for global banks even if trade and geopolitical tensions are undermining confidence and economic momentum. The Fed's and ECB's responses to counter the slowdown are positive for banks' funding conditions however, continue to call into question their business models given that interest margins will remain low for longer. (Peninsula Qatar)

- **OPEC sees lower 2020 demand for its oil, points to surplus** – OPEC has forecast world demand for its crude will decline next year as rivals pump more, pointing to the return of a surplus despite an OPEC-led pact to restrain supplies. The drop-in demand for OPEC crude highlights the sustained boost that OPEC's policy to support oil prices by supply cuts is giving to US shale and other rival supply. This potentially gives US President, Donald Trump more room to keep up sanctions on OPEC members Iran and Venezuela. Giving its first 2020 forecasts in a monthly report, the OPEC stated that the world will need 29.27mn barrels per day (bpd) of crude from its 14 members next year, down 1.34mn bpd from this year. OPEC in the report also forecast that world oil demand would rise at the same pace as this year and that the world economy would expand at this year's pace, despite slower growth in the US and China, the top two oil consumers. "The 2020 forecast assumes that no further downside risks materialize, particularly that trade-related issues do not escalate further," OPEC stated of the economic outlook. (Reuters)
- **Saudi Arabia's non-oil private sector to grow 2.4% in 2019** – The Saudi Arabia's non-oil private sector is expected to grow by 2.4% in 2019, compared to 2% in 2017, according to Jadwa Investment's recent report. "Our economic forecast for the Kingdom has been revised down wholly on the account of developments related to the oil market," Jadwa Investment stated. Previously, the company expected overall growth of 2% in the full-year 2019. It also decreased the revision of GDP due to global oil prices, with expectations of 1.6% growth. "Lower than previously forecasted Saudi oil production will push oil GDP to a slender 0.3% growth in 2019," the report highlighted. Jadwa Investment added that lower yearly crude oil production will impact oil sector GDP, however, the opening of the Fadhili gas complex and the Jazan refinery towards the end of 2019 should ensure positive oil sector growth. "Overall, it seems that the consolidation of efforts in striving towards the goals of the Vision 2030 (Vision), as well as the targets set under the National Transformation Program (NTP) have paved the way for pick up in momentum for the Saudi economy," Jadwa Investment stated. (Zawya)
- **Saudi Arabia said to keep oil output below 10mn bpd in August** – Saudi Arabia will pump less than 10mn bpd of crude in August and export fewer than 7mn bpd, according to sources. Production will be little changed from July and previous months, according to sources. The Kingdom pumped 9.73mn bpd in June, according to data compiled by Bloomberg. (Bloomberg)
- **Ma'aden announces the submission of increasing its capital through conversion of debt held by the PIF** – Saudi Arabian Mining Company's (Ma'aden) board has recommended increasing the company's share capital through conversion of

debt held by the Public Investment Fund (PIF). The Company announces the submission of increasing its capital made on July 11, 2019, to the CMA for approval. The company will announce in due course any details and further information related to this matter. (Tadawul)

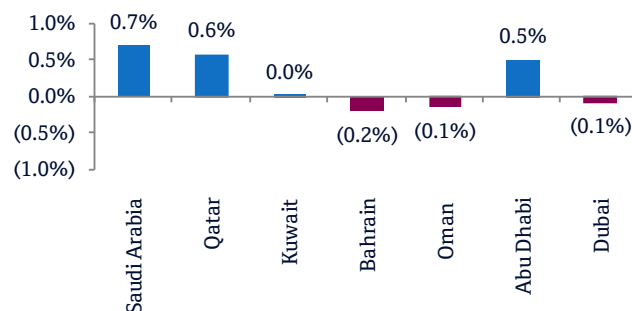
- **DP World set to raise \$1.3bn in bonds and Sukuk** – Port operator DP World is set to raise \$1.3bn through conventional and Islamic (Sukuk) bond issues, documents issued by banks involved in the deal showed. Majority owned by the Dubai government, DP World plans to borrow \$1bn by issuing Sukuk with a 10-year maturity and offering a profit rate equivalent to 195 basis points over mid-swaps. The Islamic paper was marketed earlier with an initial guidance of around 230 basis points over mid-swaps. DP World - which as of the end of last year had \$10.5bn in existing debt - has also reopened an existing conventional bond, due in 2048. The size of the so-called bond tap has been set at \$300mn, and will offer a 4.9% yield, one of the documents showed. The initial yield guidance for the bond reopening ranged between 5% and 5.1%. DP World's Sukuk got orders of over \$4.6bn, while demand for the bond tap topped \$1.6bn. The proceeds of the Sukuk will be used for general corporate purposes, the company stated in an investor presentation. The bond issues come after the company announced last week its plan to buy Topaz Energy and Marine, a provider of marine logistics, for around \$1bn. Barclays, Citi, Deutsche Bank, Dubai Islamic Bank, Emirates NBD Capital, First Abu Dhabi Bank, HSBC, and Standard Chartered have been hired to arrange the Sukuk issue. (Reuters)
- **GIC, ADIA invest additional \$329mn in Greenko Energy** – Greenko Energy has received additional \$329mn of funding from Singapore's GIC and Abu Dhabi Investment Authority (ADIA) through a rights issue, the Economic Times reported, citing company's Managing Director, Anil Chalamalasetty. The funds will be used for Greenko's current 2.4GW storage projects and acquisitions. The company has also issued warrants to founders to raise additional funds. GIC will remain principal shareholder of the company after latest fund raising round. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,415.75	0.9	1.2	10.4
Silver/Ounce	15.23	0.7	1.6	(1.7)
Crude Oil (Brent)/Barrel (FM Future)	66.72	0.3	3.9	24.0
Crude Oil (WTI)/Barrel (FM Future)	60.21	0.0	4.7	32.6
Natural Gas (Henry Hub)/MMBtu	2.54	0.4	10.9	(20.3)
LPG Propane (Arab Gulf)/Ton	50.25	0.5	5.8	(20.9)
LPG Butane (Arab Gulf)/Ton	48.63	(1.8)	13.1	(30.5)
Euro	1.13	0.1	0.4	(1.7)
Yen	107.91	(0.5)	(0.5)	(1.6)
GBP	1.26	0.4	0.4	(1.4)
CHF	1.02	0.6	0.8	(0.3)
AUD	0.70	0.7	0.6	(0.4)
USD Index	96.81	(0.2)	(0.5)	0.7
RUB	62.96	0.2	(1.3)	(9.7)
BRL	0.27	0.4	2.2	3.8

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,212.64	0.3	0.3	17.4
DJ Industrial	27,332.03	0.9	1.5	17.2
S&P 500	3,013.77	0.5	0.8	20.2
NASDAQ 100	8,244.15	0.6	1.0	24.2
STOXX 600	386.85	0.2	(0.4)	12.7
DAX	12,323.32	0.1	(1.5)	14.9
FTSE 100	7,505.97	0.3	(0.2)	10.0
CAC 40	5,572.86	0.5	0.1	15.9
Nikkei	21,685.90	0.7	0.3	10.8
MSCI EM	1,050.90	(0.4)	(0.9)	8.8
SHANGHAI SE Composite	2,930.55	0.3	(2.5)	17.5
HANG SENG	28,471.62	0.1	(1.4)	10.3
BSE SENSEX	38,736.23	(0.4)	(2.0)	9.1
Bovespa	103,906.00	(0.6)	2.1	22.5
RTS	1,387.87	(0.8)	(0.8)	29.9

Source: Bloomberg (*\$ adjusted returns)

Contacts

Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

saugata.sarkar@qnbfs.com.qa

Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

mehmet.aksoy@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

shahan.keushgerian@qnbfs.com.qa

QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

PO Box 24025

Doha, Qatar

Zaid al-Nafoosi, CMT, CFTe

Senior Research Analyst

Tel: (+974) 4476 6535

zaid.alnafoosi@qnbfs.com.qa

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNB FS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNB FS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNB FS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNB FS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNB FS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNB FS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNB FS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNB FS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNB FS.

COPYRIGHT: No part of this document may be reproduced without the explicit written permission of QNB FS.