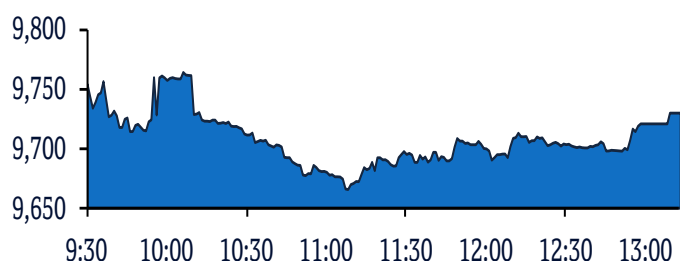


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index declined 0.3% to close at 9,730.5. Losses were led by the Consumer Goods & Services and Transportation indices, falling 1.5% and 0.6%, respectively. Top losers were Qatari German Company for Medical Devices and Ahli Bank, falling 7.1% and 3.4%, respectively. Among the top gainers, Qatar Oman Investment Company gained 3.5%, while Qatari Investors Group was up 3.2%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 1.4% to close at 8,531.2. Losses were led by the Telecomm. Serv. and Media & Ent. indices, falling 2.6% and 2.2%, respectively. Walaah Coop. Ins. Co. declined 4.2%, while Al Alamiya Coop. Ins. Co was down 4.1%.

**Dubai:** The DFM Index gained 0.2% to close at 2,589.7. The Real Estate & Const. index rose 1.3%, while the Services index gained 0.7%. Almadina for Finance and Investment Company rose 9.8%, while GFH Financial Group was up 3.2%.

**Abu Dhabi:** The ADX General Index gained 0.6% to close at 4,777.3. The Inv. & Financial Services index rose 1.7%, while the Energy index gained 1.5%. Abu Dhabi Ship Building Co. rose 14.3%, while National Bank of Ras Al-Khaimah was up 8.0%.

**Kuwait:** The Kuwait Main Market Index gained 0.1% to close at 4,720.5. The Insurance index rose 1.4%, while the Real Estate index gained 0.2%. Kuwait Remal Real Estate Company rose 10.0%, while Equipment Holding Company was up 9.7%.

**Oman:** The MSM 30 Index gained 0.4% to close at 3,875.9. The Services index rose 0.2%, while the Financial index gained marginally. Ooredoo rose 3.9%, while Al Sharqia Investment Holding was up 1.4%.

**Bahrain:** The BHB Index fell 0.2% to close at 1,408.5. The Commercial Banks index declined 0.6%, while the other indices ended flat or in green. Ithmaar Holding declined 7.7%, while Ahli United Bank was down 1.3%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Oman Investment Company	5.90	3.5	1.6	10.5
Qatari Investors Group	22.79	3.2	57.3	(18.1)
Doha Bank	22.42	1.6	120.2	1.0
Mesaieed Petrochemical Holding	27.90	1.5	2,326.3	85.6
Investment Holding Group	5.46	1.1	142.3	11.7

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Mesaieed Petrochemical Holding	27.90	1.5	2,326.3	85.6
Ezdan Holding Group	8.03	(1.5)	1,375.6	(38.1)
Qatar Aluminium Manufacturing	10.02	(1.0)	694.9	(24.9)
Salam International Inv. Ltd.	4.03	1.0	439.1	(6.9)
Barwa Real Estate Company	33.15	0.5	403.0	(16.9)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,730.52	(0.3)	(1.4)	(6.2)	(5.5)	79.86	147,842.0	13.7	1.5	4.5
Dubai	2,589.68	0.2	0.6	(6.4)	2.4	48.14	94,105.2	11.3	1.0	5.2
Abu Dhabi	4,777.32	0.6	1.2	(9.1)	(2.8)	59.48	133,739.9	13.9	1.4	5.2
Saudi Arabia	8,531.16	(1.4)	(1.1)	(8.3)	9.0	1,446.31	535,829.0	19.5	1.9	3.5
Kuwait	4,720.52	0.1	(0.9)	(2.2)	(0.4)	81.51	32,759.9	14.3	0.9	4.0
Oman	3,875.89	0.4	0.4	(1.8)	(10.4)	1.93	16,932.5	8.1	0.8	7.1
Bahrain	1,408.49	(0.2)	0.6	(1.8)	5.3	3.56	21,824.8	10.3	0.9	5.4

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	23 May 19	22 May 19	%Chg.
Value Traded (QR mn)	292.0	346.9	(15.8)
Exch. Market Cap. (QR mn)	538,194.3	540,761.4	(0.5)
Volume (mn)	8.9	15.9	(43.8)
Number of Transactions	7,558	10,848	(30.3)
Companies Traded	42	42	0.0
Market Breadth	14:22	27:13	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,904.98	(0.3)	(1.4)	(1.3)	13.7
All Share Index	2,895.38	(0.5)	(2.4)	(6.0)	13.8
Banks	3,595.90	(0.6)	(3.5)	(6.1)	12.5
Industrials	3,175.80	0.2	1.6	(1.2)	16.0
Transportation	2,331.80	(0.6)	(1.1)	13.2	12.5
Real Estate	1,600.02	(0.6)	(6.0)	(26.8)	13.4
Insurance	3,037.07	(0.5)	(0.7)	1.0	17.5
Telecoms	880.47	0.1	(0.7)	(10.9)	18.1
Consumer	7,801.89	(1.5)	(2.9)	15.5	15.2
Al Rayan Islamic Index	3,853.10	(0.0)	(0.9)	(0.8)	13.2

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ooredoo Oman	Oman	0.48	3.9	30.0	(15.8)
GFH Financial Group	Dubai	0.93	3.2	20,051.0	3.4
DP World	Dubai	17.89	2.3	515.8	4.6
Emaar Properties	Dubai	4.42	1.8	8,923.2	7.0
Emaar Malls	Dubai	1.85	1.6	7,116.8	3.4

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Ind. Inv. Group	Saudi Arabia	24.56	(3.3)	563.5	7.3
Saudi Int. Petrochemical	Saudi Arabia	22.00	(3.1)	3,381.2	10.2
National Petrochem. Co.	Saudi Arabia	23.68	(3.0)	258.6	(2.6)
Makkah Const. & Dev. Co.	Saudi Arabia	65.60	(2.7)	50.7	(17.0)
Saudi Telecom Co.	Saudi Arabia	104.20	(2.6)	1,798.7	15.5

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%
Qatari German Co for Med. Dev.	5.33	(7.1)	8.9	(5.8)
Ahli Bank	28.01	(3.4)	6.0	10.0
Qatar Islamic Insurance Company	51.61	(2.6)	9.2	(3.9)
Qatar Fuel Company	207.48	(2.1)	301.5	25.0
Qatar Navigation	61.51	(1.8)	21.5	(6.8)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Mesaieed Petrochemical Holding	27.90	1.5	64,819.3	85.6
Qatar Fuel Company	207.48	(2.1)	62,574.1	25.0
QNB Group	167.00	(1.2)	37,940.1	(14.4)
Industries Qatar	109.40	(0.1)	13,660.4	(18.1)
Barwa Real Estate Company	33.15	0.5	13,292.0	(16.9)

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index declined 0.3% to close at 9,730.5. The Consumer Goods & Services and Transportation indices led the losses. The index fell on the back of selling pressure from Qatari and GCC shareholders despite buying support from non-Qatari shareholders.
- Qatari German Company for Medical Devices and Ahli Bank were the top losers, falling 7.1% and 3.4%, respectively. Among the top gainers, Qatar Oman Investment Company gained 3.5%, while Qatari Investors Group was up 3.2%.
- Volume of shares traded on Thursday fell by 43.8% to 8.9mn from 15.9mn on Wednesday. Further, as compared to the 30-day moving average of 13.4mn, volume for the day was 33.4% lower. Mesaieed Petrochemical Holding Company and Ezdan Holding Group were the most active stocks, contributing 26.0% and 15.4% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	22.24%	26.91%	(13,629,933.55)
Qatari Institutions	17.39%	29.45%	(35,223,784.72)
<b>Qatari</b>	<b>39.63%</b>	<b>56.36%</b>	<b>(48,853,718.27)</b>
GCC Individuals	0.45%	0.73%	(821,836.46)
GCC Institutions	0.81%	1.32%	(1,506,132.15)
<b>GCC</b>	<b>1.26%</b>	<b>2.05%</b>	<b>(2,327,968.61)</b>
Non-Qatari Individuals	8.04%	8.63%	(1,730,500.75)
Non-Qatari Institutions	51.07%	32.95%	52,912,187.63
<b>Non-Qatari</b>	<b>59.11%</b>	<b>41.58%</b>	<b>51,181,686.88</b>

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

## Ratings and Global Economic Data

### Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
First Abu Dhabi Bank	Rating and Investment Information, Inc.	Abu Dhabi	IR	A+	AA-	↑	Stable	-

Source: News reports (IR – Issuer Rating)

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
05/23	US	Department of Labor	Initial Jobless Claims	18-May	211k	215k	212k
05/23	US	Department of Labor	Continuing Claims	11-May	1,676k	1,666k	1,664k
05/23	US	Markit	Markit US Manufacturing PMI	May	50.6	52.6	52.6
05/23	US	Markit	Markit US Services PMI	May	50.9	53.5	53.0
05/23	US	Markit	Markit US Composite PMI	May	50.9	-	53.0
05/23	EU	Markit	Markit Eurozone Manufacturing PMI	May	47.7	48.1	47.9
05/23	EU	Markit	Markit Eurozone Services PMI	May	52.5	53.0	52.8
05/23	EU	Markit	Markit Eurozone Composite PMI	May	51.6	51.7	51.5
05/23	Germany	German Federal Statistical Office	GDP SA QoQ	1Q2019	0.4%	0.4%	0.4%
05/23	Germany	German Federal Statistical Office	GDP NSA YoY	1Q2019	0.6%	0.6%	0.6%
05/23	Germany	German Federal Statistical Office	GDP WDA YoY	1Q2019	0.7%	0.7%	0.7%
05/23	Germany	Markit	Markit/BME Germany Manufacturing PMI	May	44.3	44.8	44.4
05/23	Germany	Markit	Markit Germany Services PMI	May	55.0	55.4	55.7
05/23	Germany	Markit	Markit/BME Germany Composite PMI	May	52.4	52.0	52.2
05/23	France	Markit	Markit France Manufacturing PMI	May	50.6	50.0	50.0
05/23	France	Markit	Markit France Services PMI	May	51.7	50.8	50.5
05/23	France	Markit	Markit France Composite PMI	May	51.3	50.3	50.1
05/23	Japan	Markit	Nikkei Japan PMI Mfg	May	49.6	-	50.2
05/24	Japan	Ministry of Internal Affairs and Communications	National CPI YoY	April	0.9%	0.9%	0.5%

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			Consumer Goods & Services
Monday 17/06/2019	MERS	MCCS		
Tuesday 18/06/2019	WDAM	ZHCD	QGMD	
Wednesday 19/06/2019	QFLS	MCGS		
Thursday 20/06/2019	SIIS	QCFS		Industrial
Sunday 23/06/2019	MPHC	IGRD		
Monday 24/06/2019	QIGD	AHCS	QNCD	
Tuesday 25/06/2019	IQCD	QIMD		
Wednesday 26/06/2019	QEWS	GISS		
Thursday 27/06/2019	QISI	QATI		Insurance
Sunday 30/06/2019	DOHI	QGRI	AKHI	
Monday 01/07/2019	BRES	ERES		Real Estate
Tuesday 02/07/2019	UDCD	MRDS		
Wednesday 03/07/2019	VFQS	ORDS		Telecoms
Thursday 04/07/2019	QGTS	GWCS	QNNS	Transport/Logistics
Sunday 07/07/2019	QETF	QATR	QAMC	ETFs and QAMCO

Source: QSE

## News

### Qatar

- QIGD postpones its EGM to May 29** – Qatari Investors Group (QIGD) announced that the necessary quorum for the Extraordinary General Assembly Meeting (EGM), which was supposed to be held on May 22, 2019, has not been met. Therefore, the company will hold the second meeting on May 29, 2019. (QSE)
- Baladna set to launch IPO in 4Q2019** – Baladna Food Industries (Baladna), Qatar's largest producer of fresh dairy and beverages, is set to launch Initial Public Offering (IPO) for listing on Qatar Stock Exchange (QSE) in the fourth quarter of this year, according to Baladna's Senior Marketing Director, Maher Eldaly. Eldaly said the company has done all necessary formalities to launch the IPO after the summers are over. He said, "IPO launch will be a major milestone in our road to success. We want to launch it at a time when all the investors are in the country. Once the summer holidays are over, we will look for a suitable date to launch the IPO. It will be done this year and most probably in the fourth quarter of the current fiscal year." According to a recent report, QSE has received approval from the Ministry of Commerce and Industry regarding Baladna IPO for its listing on the exchange. After achieving 100% self-sufficiency in meeting the demand for local market, the official said, Baladna has already started exporting dairy products to international markets. The official said that Baladna will consider increasing the number of cows if there will be huge demand from the international market. (Qatar Tribune)
- QSE developing new ETFs to attract more foreign investments** – Qatar Stock Exchange (QSE) is developing two new Exchange Traded Funds (ETFs), part of efforts by the Middle East's strongest performing stock market in 2018 to boost foreign investment, according to QSE's CEO, Rashid Al-Mansoori. Qatar has been on a drive to attract capital from new sources since Saudi Arabia, the UAE, Bahrain, and Egypt imposed an economic boycott on Qatar. Companies on Qatar's exchange have since increased foreign ownership limits to 49%, most of which had previously been set at 25%, drawing a flood of cash that helped to boost the main index by more than 20% last year. The new liberalized investment code allows 100% foreign ownership of projects and new areas of real estate have been opened up for foreign buyers. Foreigners hold about 11% of the companies listed on the exchange, but make up about 30%-40% of daily turnover, Al-Mansoori said. (Gulf-Times.com)
- Ooredoo, EnrichAI to launch new IoT solutions** – Ooredoo announced a partnership with EnrichAI to enable the development of diverse Internet of Things (IoT) solutions to drive the digital transformation of Qatari organizations. Across Qatar, every industry vertical is seeing strong IoT demand – in which connecting objects, devices, and people on one platform can deliver real-time insights. The partnership builds on Ooredoo's existing capabilities in the IoT arena to develop solutions and industry-wide products. Ooredoo expects to work on a range of solutions as varied as Smart Cities, Smart Utilities Meters, and Smart Fleet Management. Ooredoo gains critical IoT capabilities with a team of developers and architects working closely with Ooredoo's technical and commercial

teams, as well as a strong team for service delivery and assurance, which plays a key role in the whole process. (Gulf-Times.com)

- **S'hail Shipping signs deals to purchase two modern dry bulk carriers worth nearly QR75mn** – S'hail Shipping has entered into agreements to purchase two modern dry bulk carriers worth nearly QR75mn, according to S'hail Shipping's Chairman and Managing Director, Mohamed Khalifa Al-Sada. Al-Sada said he expected the first ship 'S'hail Al Rayan' (76,629 dwt) to be delivered in the first half of next month and the second vessel 'S'hail Al Dukhan' (74,143 dwt) to be delivered during the second half of June. With the addition of these two ships, the company's fleet size will increase to seven ships and the deadweight to 483,522 MT. Al-Sada stated, "These additions will enhance the company's capacity to globally transport dry bulk cargoes, resulting in increase in company's revenue." Al-Sada added, "The company has so far transported globally about 4mn MT and that in consistence with Qatar's 2030 vision, the company takes pride in increasing Qatar's participation and role in global trading of dry bulk commodities. As a strategy to ensure proper management of risks from global trade, the company is also currently engaged in evaluating options to diversify into other segments of shipping and maritime business particularly in Qatar's offshore sector." (Gulf-Times.com)
- **Qatar buys stake in miner trying to build giant potash mine in northern England** – Qatar has bought a stake in Sirius Minerals Plc, the company that is planning to build a giant potash mine in northern England. Qatar Investment Authority now owns 3.3% of Sirius Minerals Plc, and Pelham Capital Ltd. has also bought a 5.1% stake, according to filings. Sirius Minerals Plc, backed by Australian billionaire Gina Rinehart, plans to extract polyhalite from a mine more than 1 mile deep. It expects to produce the first potash in 2021. The company is in the process of raising \$3.8bn to fund the ambitious mine, which ranks among one of Britain's biggest industrial projects and could bring much-needed jobs to a beleaguered economy in North Yorkshire. Sirius Minerals Plc recently raised \$425mn selling new shares and is also issuing bonds to secure a \$2.5bn credit facility from JPMorgan Chase & Co. (Bloomberg)
- **Qatari local farm produce sales drive delivers 318% rise** – Qatar Farms program organized by the Ministry of Municipality and Environment (MME) in cooperation with the Ministry of Commerce and Industry (MoCI) has recorded sales of about 8,226 tons of agriculture produce in its second season, compared to 1,969 tons recorded during the first season in 2018, representing a 318% rise. The program is part of the ministry's efforts to improve the local marketing process and help the farmers to market their produce. The second season of the program launched in December 2018 saw the participation of more than 10 commercial complexes. The program aims to provide Qatari farmers with the opportunity to display their local vegetables in various consumer complexes at reasonable prices to the consumer without an intermediary. The first season of the program was launched in March 2018 with the participation of only four major consumer complexes - Carrefour, Lulu, Meera and Family Food Center. The program has led to about 20% increase in the marketing of locally

produced vegetables, which indicates the positive impact of the initiative on improving the marketing of local vegetables in consumer complexes. (Qatar Tribune)

- **OBG: Kahramaa aims to lower per capita power and water use by 8% and 15% by 2022** – Kahramaa aims to reduce per capita consumption of electricity and water by 8% and 15%, respectively as part of the second phase of 'Tarsheed' program and in line with the National Development Strategy 2018-22, according to Oxford Business Group (OBG). Tarsheed is the 'National Program for Conservation and Energy Efficiency' launched by Kahramaa to reduce per capita electricity and water consumption in the country. Through Tarsheed and other efficiency measures, Kahramaa has been attempting to reduce the consumption of both desalinated water and electricity since 2012. Water and electricity consumption tends to increase in the hot summer months, when domestic customers take more showers and use more air conditioning, before dropping in the cooler months after February, OBG stated in its 'The Report: Qatar 2019'. According to Kahramaa's sustainability report published in 2016, consumption of water and electricity per capita had fallen by 20% and 18%, respectively, since the implementation of Tarsheed in 2012. (Gulf-Times.com)
- **Qatar Chamber calls on private sector to hire more Turkish workforce** – Qatar Chamber is planning to increase Turkish employment in the Qatari market by encouraging the private sector in the country to hire more Turkish workers, officials said at a meeting with a delegation from the Turkish Labor Ministry. During the event, Qatar Chamber hosted the delegation from the Turkish Ministry of Family, Labor and Social Services headed by Ali Ibi, Deputy Director of the Department of Foreign Relations. Ali Bu Sherbak Al Mansouri, Qatar Chamber's Assistant Director General for Governmental and International Relations, said that Qatar and Turkey have excellent cooperation relations in all fields, noting that the Chamber will encourage Qatari companies and business owners to employ qualified and trained Turkish manpower. For his part, Ibi said that there are currently about 9,000 Turkish citizens working in Qatar, and he hopes to increase the number in the coming period, calling on the private sector of Qatar to recruit more Turks in the Qatari labor market. (Peninsula Qatar)
- **Qatar-Spain trade volume reaches QR5.09bn in 2018** – Qatar-Spain bilateral relations continued to register robust growth over the last few years. The two-way trade exchange between the two countries reached over QR5.09bn in 2018, witnessing a growth of over 5% compared to previous year, according to Belen Alfaro, Ambassador of Spain to Qatar. The Ambassador also said that both sides are working to organize a meeting of the Joint Committee for Economic and Trade Affairs and likely to host a Qatar-Spain Business Forum in the second half of this year in Madrid. "The Qatar-Spain bilateral trade and economic ties are expected to see major growth in the coming years as both sides are working very closely to expand, deepen and strengthen the level of cooperation," the Ambassador said. (Peninsula Qatar)

#### **International**

- **IMF warns US-China trade war will jeopardize 2019 growth** – International Monetary Fund (IMF) sounded the alarm about the escalating US-China trade war, warning it will jeopardize



2019 global growth, undermine confidence and raise prices for consumers. IMF's Chief Economist, Gita Gopinath directly refuted President Donald Trump's claim that tariffs are paid by China and provide a windfall for the US treasury, and that his aggressive posture will help reduce the US trade deficit. She and her co-authors warned in a blog post that the economic damage will be even worse if Trump goes through with the threat to impose steep tariffs on all goods imported from China, as that will subtract about one-third of a percentage point of global GDP in the short term. Optimism was high earlier this month that a deal was within striking distance but tensions erupted after Trump accused Beijing of backtracking on its commitments made over the year of negotiations. (Peninsula Qatar)

- **Tariffs trade war negatively affects US, China economies, says QNB Group** – A trade war of tariffs between the US and China negatively affect both economies through different channels, QNB Group stated in an economic commentary. Developments in US-China trade negotiations have suddenly changed for the worse as the US hiked tariffs on \$200bn of imported Chinese goods from 10% to 25%. The action broke the Trump-Xi trade truce and added to other measures imposed by the US on China last year, including tariffs on solar panel and washing machines, steel and aluminum, and on \$50bn of other goods, QNB Group stated. China has retaliated by imposing tariffs on \$60bn of imported US goods, adding to previous retaliatory measures. The situation may escalate further as the US is threatening to impose additional tariffs on all remaining imports from China about \$300bn. (Gulf-Times.com)
- **US home sales, manufacturing stumble; job market resilient** – Sales of new US single-family homes fell from near an eleven-and-a-half-year high in April as prices rebounded and manufacturing activity hit its lowest level in almost a decade in May, suggesting a sharp slowdown in economic growth was underway. However, other data showed the number of Americans filing claims for unemployment benefits unexpectedly fell last week. Labor market strength should support the economy, which is cooling as last year's massive stimulus from the Trump administration's tax cuts and spending increases fades. The Commerce Department stated new home sales dropped 6.9% to a seasonally adjusted annual rate of 673,000 units last month. That followed March's sales pace of 723,000 units, which was the highest level since October 2007. April's decline came after three straight monthly increases. Separately, data firm IHS Markit stated its US manufacturing PMI declined to a reading of 50.6 in early May, marking the lowest level since September 2009, from 52.6 in April. A reading above 50 indicates growth in the manufacturing sector, which accounts for about 12% of the US economy. The softness in manufacturing appears to be spilling over to the services sector. IHS Markit's services PMI dropped to a 39-month low of 50.9 in early May from a reading of 53.0 in April. In a third report, the Labor Department stated initial claims for state unemployment benefits slipped 1,000 to a seasonally adjusted 211,000 for the week ended May 18. It was the third straight weekly drop in claims. Economists had forecasted claims would rise to 215,000 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, dropped 4,750 to 220,250 last week. (Reuters)

- **UK's shoppers pause for breath in April after increase in spending** – British shoppers paused for breath in April after months of strong buying, according to official data that showed continued underlying strength of consumer spending during the Brexit crisis. Monthly retail sales volumes were flat last month, the Office for National Statistics (ONS) stated, compared with a median forecast for a 0.3% decline in a Reuters poll of economists. However, during the three months to April sales increased 1.8%, the fastest growth by this measure since August last year. Consumer spending has been a relative bright spot for the British economy, contrasting with businesses cutting on investment throughout last year and slower global growth. Retail growth was strong in the three months to April with a record quarter for the online sector, driven mainly by clothing purchases, with warmer weather boosting sales, ONS stated. Compared with April 2018, sales were up by 5.2% after a 6.7% annual rise in March, better than expected in the Reuters poll. (Reuters)
- **UK's immigration falls to five-year low as influx of EU workers slows** – Long-term immigration to Britain dropped to a five-year low last year as the net inflow of European Union (EU) migrants fell to its lowest in almost a decade, extending a decline seen since Britain voted to leave the EU in 2016. The number of people moving to Britain for more than a year, minus those leaving, sank to 258,000 in 2018 from 285,000 in 2017, official data showed. Prime Minister Theresa May, who announced her resignation on Friday after failing to get her Brexit deal through parliament, had long wanted to limit annual immigration to under 100,000. (Reuters)
- **Eurozone's business growth fails to shine in May** – A recovery in Eurozone business activity was weaker than expected this month as a deepening contraction in the bloc's manufacturing industry is increasingly holding back services firms, a survey showed. Last month, European Central Bank's President, Mario Draghi raised the prospect of more support for the struggling Eurozone's economy if its slowdown persists and survey is likely to add to the concerns of policymakers. IHS Markit's Flash Composite Purchasing Managers' Index (PMI), which is considered a good guide to economic health, only nudged up to 51.6 this month from a final April reading of 51.5, below the median expectation in a Reuters poll for 51.7. (Reuters)
- **Drop in German business morale points to meager growth** – German business morale deteriorated more than expected in May as confidence in the services sector worsened, a survey showed, suggesting that Europe's largest economy is losing steam after solid growth at the start of the year. The Munich-based Ifo institute stated its closely watched business climate index fell to 97.9 in May. This was the lowest reading since November 2014 and clearly missed the consensus forecast for a reading of 99.1. In the services sector, business climate took a substantial hit, with the sub-indicator of current sentiment in services posting its biggest monthly drop since April 2013. (Reuters)
- **Japan's April nationwide core CPI up 0.9% YoY** – Japan's core consumer prices rose 0.9% in April from a year earlier, government data showed. The core Consumer Price Index,

which includes oil products but excludes fresh food prices, matched economists' median estimate. Stripping away the effect of fresh food and energy, consumer prices rose 0.6% in April from a year earlier. (Reuters)

- **Japan more downbeat on growth, but sees no change to tax hike plan** – Japan's government downgraded its assessment of the economy, but maintained the view it was recovering, suggesting that escalating US-China trade tensions have yet to hit growth enough to put off this year's scheduled sales tax hike. The fallout from the trade war and slowing global demand have clouded the outlook for the export-reliant economy, keeping alive market expectations that Prime Minister Shinzo Abe may postpone a twice-delayed increase in the sales tax in October. However, Economy Minister Toshimitsu Motegi shrugged off such speculation, saying Japan should proceed with the tax hike. Japan needs revenues to pay for bulging welfare costs to support a fast-ageing population and curb the industrial world's heaviest public debt burden, which is twice the size of its \$5tn economy. (Reuters)
- **China aims for low value-added taxes in manufacturing** – Premier of the State Council of the People's Republic of China said China aimed to keep value-added taxes for the manufacturing industry at low levels and encourage companies to innovate, in comments coming at a time of a bitter trade dispute with the US. Despite a good start in the first quarter, rising external challenges may still destabilize the Chinese economy, the second largest in the world, Li said. (Reuters)

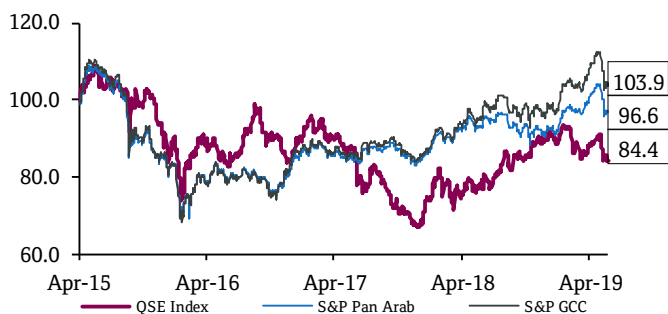
#### Regional

- **SAMA: Saudi Arabia's consumer prices to inflate slightly in 2Q2019** – Saudi Arabian Monetary Authority (SAMA) has issued inflation report which stated that "In 2Q the annual rate of change in consumer prices is expected to be slightly positive due to growth in gasoline prices and also because the month of Ramadhan and Eid holiday fall in 2Q which might bring seasonal inflationary pressure on prices overall," SAMA stated in its report. In 1Q2019, the consumer prices fell 2.1% YoY and 0.7% QoQ. (Bloomberg)
- **Saudi Arabia raises SR2.84bn from May Sukuk offering** – Saudi Arabia raises SR2.84bn from May Sukuk offering, the first tranche of SR655mn Islamic Sukuk maturing in 2028, according to a statement. The second tranche of SR2.185bn will mature in 2031. (Bloomberg)
- **Saudi Arabian 2018 goods imports from UAE rise 32% YoY** – General Authority for Statistics in Riyadh published foreign merchandise trade data for 2018, which showed that in 2018 imports from the UAE in value terms grew to SR43,441mn from SR32,831mn a year ago. The UAE's share in Saudi Arabia's total merchandise imports rose to 8% from 7% a year ago. The UAE's share in Saudi Arabia's total imports from GCC rose to 76.3% from 72.3% a year ago. (Bloomberg)
- **Saudi Arabia's bank earnings seen slowing after best quarter since 2015** – Saudi Arabian banks will struggle to repeat their best quarter in more than three years as growth in the biggest Arab economy ebbs and bad-loan charges increase. Analysts expect earnings to increase 7% for 2019, according to data compiled by Bloomberg. That compares with a jump of 13% in the first three months of the year across the nation's 12 publicly traded lenders, beating analyst estimates. "The first two quarters might still be good, after that reality will set in, unless the banks grow their lending book," an analyst at investment SICO Bank in Bahrain, Chiro Ghosh said. Furthermore, a decline in the amount of money banks set aside for bad debts is not sustainable and will probably rise over the course of the year. Saudi Arabia's banking industry is transforming as two pairs of lenders are seeking to merge in a bid to boost efficiency, while the government pushes a plan to reduce the economy's dependence on oil. (Bloomberg)
- **MEED: Saudi Arabian contract awards in first quarter highest since 2016** – Saudi Arabian contract awards in first quarter highest since 2016. The Saudi Arabian market saw \$8.9bn of contract awards in 1Q2019, compared with \$5.9bn during the same period last year, the Middle East Economic Digest reported, citing MEED Projects data. After more than four years of recession, the Kingdom's projects market is showing signs of recovery as government figures and data from regional projects tracker MEED Projects show an increase in capital spending and contract awards during the first quarter of this year. (Bloomberg)
- **Saudi Aramco's Arctic aspirations frozen as Novatek LNG talks stall** – Negotiations between Saudi Aramco and Russia's Novatek to jointly develop liquefied natural gas in the Arctic are currently on hold, however, there may be a chance to revive them. The talks about teaming up on Novatek's Arctic LNG 2 project, which have lasted for more than year, have paused because negotiations are difficult, according to sources. Sources said that the stumbling block may have been the price. Saudi Arabia's Energy Minister, Khalid Al-Falih will participate in the St. Petersburg International Economic Forum next month and may meet Russian President Vladimir Putin, where there would still be an opportunity to resume the talks, sources added. (Bloomberg)
- **Saudi SALIC invests in crop analytics firm Hummingbird Technologies** – The Saudi Agricultural and Livestock Investment Company (SALIC) has led a round of investments for artificial intelligence startup Hummingbird Technologies, the company stated. Hummingbird, which was set up in 2016, uses drone and artificial intelligence to provide advanced crop analytics to farmers. The funding round was worth \$8.84mn, SALIC stated, without disclosing how much it has invested. SALIC is owned the Kingdom's sovereign investor Public Investment Fund (PIF). (Reuters)
- **Cellnex in talks with STC over 'cooperation'** – Cellnex CEO, Tobias Martinez said that the company is "assessing potential cooperation" with Saudi Telecom Company (STC) in Saudi Arabia. Cellnex is not considering any investment in equity in Saudi Arabia, he said. Cellnex is focused on investing in Western Europe and potentially in Eastern Europe, however, "happy to explore potential cooperation in other regions of the world where we can find the right partner, this is why we are talking with STC, so far we didn't reach any agreement on cooperation," he said. (Bloomberg)
- **Commercial Bank of Dubai backer Al Futtaim Group said to weigh sale among options** – Al Futtaim Group, a major shareholder in Commercial Bank of Dubai (CBD), is weighing options for the lender that include selling its stake, according to sources. The Dubai-based holding company may encourage the

possibility of merging CBD with another institution, sources said. Discussions are at an early stage and financial advisors have not been appointed, sources added. Al Futtain Private Ltd., which is part of one of the biggest family-owned businesses in the UAE, holds 10.5% of Commercial Bank of Dubai, while Abdulla Hamad Al Futtain holds about 7%, according to stock exchange data. (Bloomberg)

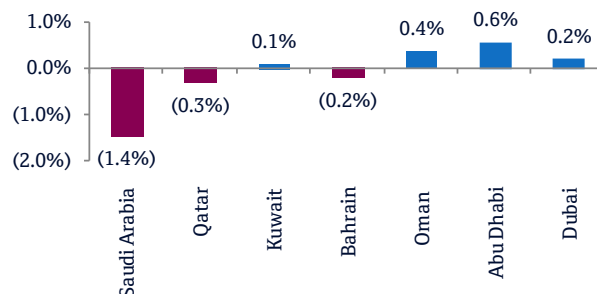
- **Central Bank of Bahrain's April net foreign assets fall to BHD920.8mn** – Central Bank of Bahrain published data on Bank's net foreign assets for April, which showed that its net foreign assets fell to BHD920.8mn from BHD1,108.4mn in March. (Bloomberg)
- **Bahrain's April M1 money supply rises 7% YoY** – Central Bank of Bahrain published data on monetary aggregates for April, which showed that the M1 money supply rose 7% YoY, M2 money supply rose 8.8% YoY and M3 money supply rose 7.6% YoY. (Bloomberg)
- **Investcorp to buy Mercury Capital Advisors** – Investcorp has entered into a definitive agreement to acquire institutional capital raising and investment advisor Mercury Capital Advisors, according to a statement. The financial terms of the deal has not been disclosed. Investcorp stated that Mercury will remain “independent business operating under its current leadership team.” The deal is expected to close in 3Q2019, subject to external approvals. (Bloomberg)
- **Start-up of Bahrain LNG import terminal delayed to 3Q2019** – The start-up of the Bahrain liquefied natural gas (LNG) import terminal has been delayed to the third quarter this year from May, Teekay LNG Partners , which owns a share in the terminal, stated. Teekay stated that the terminal is still under construction, which has delayed the beginning of operations until 3Q2019. Bahrain LNG, which is developing the terminal, is jointly owned by the National Oil and Gas Authority (NOGA) of Bahrain, Teekay LNG Partners, Samsung Construction and Trading and the Gulf Investment Corp. The terminal was initially scheduled to be completed and start supplying natural gas to the Bahrain network in the first quarter of 2019. (Reuters)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,284.75	0.1	0.6	0.2
Silver/Ounce	14.57	(0.2)	1.1	(6.0)
Crude Oil (Brent)/Barrel (FM Future)	68.69	1.4	(4.9)	27.7
Crude Oil (WTI)/Barrel (FM Future)	58.63	1.2	(6.6)	29.1
Natural Gas (Henry Hub)/MMBtu <sup>#</sup>	2.68	0.0	2.7	(15.9)
LPG Propane (Arab Gulf)/Ton	53.75	3.9	(8.1)	(15.4)
LPG Butane (Arab Gulf)/Ton	51.25	3.8	(4.7)	(26.8)
Euro	1.12	0.2	0.4	(2.3)
Yen	109.31	(0.3)	(0.7)	(0.3)
GBP	1.27	0.5	(0.1)	(0.3)
CHF	1.00	0.2	0.9	(2.0)
AUD	0.69	0.4	0.9	(1.7)
USD Index	97.61	(0.2)	(0.4)	1.5
RUB	64.47	(0.6)	(0.5)	(7.5)
BRL	0.25	0.4	1.8	(3.5)

Source: Bloomberg (\*Market was closed on May 24, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,095.03	0.4	(1.0)	11.2
DJ Industrial	25,585.69	0.4	(0.7)	9.7
S&P 500	2,826.06	0.1	(1.2)	12.7
NASDAQ 100	7,637.01	0.1	(2.3)	15.1
STOXX 600	375.89	0.8	(1.1)	8.9
DAX	12,011.04	0.7	(1.5)	11.4
FTSE 100	7,277.73	0.9	(1.1)	7.9
CAC 40	5,316.51	0.9	(1.9)	10.0
Nikkei	21,117.22	(0.0)	(0.1)	6.5
MSCI EM	986.65	0.2	(1.0)	2.2
SHANGHAI SE Composite	2,853.00	0.2	(0.8)	14.0
HANG SENG	27,353.93	0.3	(2.1)	5.6
BSE SENSEX	39,434.72	2.0	5.4	9.8
Bovespa	93,627.80	0.1	6.1	2.5
RTS	1,279.11	0.3	1.9	19.7

Source: Bloomberg (\*\$ adjusted returns)

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