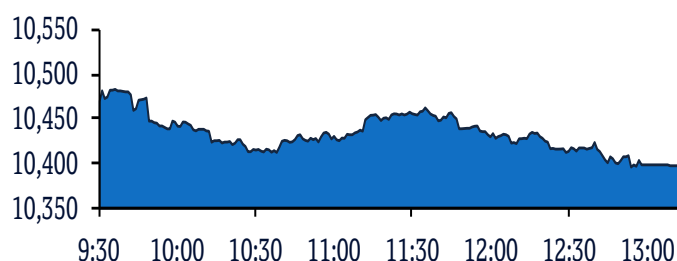


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index declined 1.0% to close at 10,397.6. Losses were led by the Insurance and Transportation indices, falling 2.1% each. Top losers were Qatar National Cement Company and Qatar Gas Transport Company Limited, falling 3.4% each. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 4.3%, while Gulf International Services was up 2.4%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.8% to close at 8,666.4. Losses were led by the Media and Consumer Services indices, falling 1.9% and 1.3%, respectively. Samba Financial Group declined 4.3%, while Saudi Investment Bank was down 4.2%.

**Dubai:** The DFM Index declined 0.6% to close at 2,900.4. The Real Estate & Const. index fell 1.4%, while the Transportation index declined 0.3%. Almadina for Finance and Inv. Co. fell 4.8%, while Damac Properties Dubai Co. was down 2.5%.

**Abu Dhabi:** The ADX General Index fell 1.6% to close at 5,230.2. The Telecommunication index declined 3.0%, while the Industrial index fell 2.7%. Abu Dhabi National Takaful declined 10.0%, while United Arab Bank was down 9.6%.

**Kuwait:** The Kuwait All Share Index gained 0.2% to close at 6,126.5. The Telecommunications index rose 1.4%, while the Real Estate index gained 0.8%. Warba Insurance Co rose 10.0%, while Taameer Real Estate Invest was up 8.8%.

**Oman:** The MSM 30 Index gained 0.4% to close at 3,776.8. Gains were led by the Financial and Industrial indices, rising 0.5% and 0.1%, respectively. Galfar Engineering and Con. rose 5.1%, while Gulf Invest Services Holding was up 4.3%.

**Bahrain:** The BHB Index gained 0.1% to close at 1,549.6. The Commercial Banks index rose 0.4%, while the Industrial index gained 0.2%. Khaleeji Commercial Bank rose 10.0%, while Seef Properties was up 1.0%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	3.65	4.3	42.7	(18.7)
Gulf International Services	1.74	2.4	865.5	2.4
Islamic Holding Group	2.30	2.2	261.8	5.3
Qatar Aluminium Manufacturing	0.88	1.5	4,605.6	(34.1)
Investment Holding Group	0.57	1.4	1,083.0	16.6

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.38	1.3	8,080.8	(7.8)
Qatar Aluminium Manufacturing	0.88	1.5	4,605.6	(34.1)
Ezdan Holding Group	0.67	0.0	3,847.7	(48.2)
Masraf Al Rayan	3.80	(0.8)	3,488.7	(8.8)
QNB Group	19.32	(1.0)	2,221.8	(0.9)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,397.63	(1.0)	(2.2)	(1.0)	1.0	623.81	157,444.5	14.8	2.0	4.2
Dubai	2,900.39	(0.6)	1.7	(0.6)	14.7	45.82	102,306.1	11.8	1.1	4.2
Abu Dhabi	5,230.22	(1.6)	(2.9)	(1.6)	6.4	50.24	144,166.0	15.6	1.5	4.7
Saudi Arabia	8,666.39	(0.8)	(1.7)	(0.8)	10.7	705.64	545,302.2	20.6	1.9	3.5
Kuwait	6,126.46	0.2	0.8	0.2	20.6	122.27	114,353.5	15.1	1.5	3.4
Oman	3,776.83	0.4	0.6	0.4	(12.6)	6.13	16,642.4	7.4	0.7	7.3
Bahrain	1,549.58	0.1	1.8	0.1	15.9	5.00	24,250.4	11.6	1.0	5.0

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	01 Aug 19	31 July 19	%Chg.
Value Traded (QR mn)	146.8	246.7	(40.5)
Exch. Market Cap. (QR mn)	573,150.8	578,082.6	(0.9)
Volume (mn)	47.2	77.1	(38.8)
Number of Transactions	5,042	6,123	(17.7)
Companies Traded	43	44	(2.3)
Market Breadth	8:29	10:30	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,132.52	(1.0)	(2.2)	5.4	14.8
All Share Index	3,069.20	(1.0)	(2.2)	(0.3)	15.1
Banks	4,052.31	(1.1)	(1.7)	5.8	14.0
Industrials	3,125.02	(0.6)	(3.0)	(2.8)	16.7
Transportation	2,549.83	(2.1)	(2.2)	23.8	16.6
Real Estate	1,499.84	(0.3)	(3.4)	(31.4)	14.2
Insurance	3,001.92	(2.1)	(5.2)	(0.2)	17.7
Telecoms	950.23	(0.7)	(0.7)	(3.8)	22.1
Consumer	8,101.23	(0.6)	(1.4)	20.0	15.7
Al Rayan Islamic Index	3,992.51	(0.9)	(2.3)	2.8	14.2

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Mobile Telecom. Co.	Kuwait	0.59	1.7	7,147.9	31.0
Bank Dhofar	Oman	0.13	1.6	2,777.0	(16.8)
Saudi Arabian Mining Co.	Saudi Arabia	47.70	1.5	283.5	(3.2)
Oman Telecom. Co.	Oman	0.55	1.5	72.1	(29.7)
Saudi Ind. Inv. Group	Saudi Arabia	23.96	1.4	397.3	4.7

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Boubyan Petrochem. Co.	Kuwait	0.79	(9.3)	4,202.6	(19.2)
Samba Financial Group	Saudi Arabia	31.30	(4.3)	3,123.9	(0.3)
Qatar Gas Transport Co.	Qatar	2.28	(3.4)	1,881.0	27.2
Emirates Telecom. Group	Abu Dhabi	16.72	(3.0)	1,035.8	(1.5)
Arab National Bank	Saudi Arabia	25.55	(2.9)	579.1	20.1

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%
Qatar National Cement Company	5.95	(3.4)	1,712.2	0.0
Qatar Gas Transport Company Ltd	2.28	(3.4)	1,881.0	27.2
Qatar Oman Investment Co.	0.54	(2.9)	12.6	0.7
Qatari German Co for Med. Dev.	0.74	(2.8)	1,178.5	31.1
Al Khaleeji Takaful Insurance Co.	1.78	(2.7)	1,425.0	107.2

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.32	(1.0)	43,031.9	(0.9)
Masraf Al Rayan	3.80	(0.8)	13,274.6	(8.8)
Qatar National Cement Company	5.95	(3.4)	10,272.6	0.0
Industries Qatar	11.13	(0.9)	8,475.3	(16.7)
Qatar Islamic Bank	16.12	(2.0)	7,880.0	6.1

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index declined 1.0% to close at 10,397.6. The Insurance and Transportation indices led the losses. The index fell on the back of selling pressure from GCC and non-Qatari shareholders despite buying support from Qatari shareholders.
- Qatar National Cement Company and Qatar Gas Transport Company Limited were the top losers, falling 3.4% each. Among the top gainers, Qatar General Insurance & Reinsurance Company gained 4.3%, while Gulf International Services was up 2.4%.
- Volume of shares traded on Thursday fell by 38.8% to 47.2mn from 77.1mn on Wednesday. Further, as compared to the 30-day moving average of 63.5mn, volume for the day was 25.6% lower. Qatar First Bank and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 17.1% and 9.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	33.60%	27.96%	8,274,760.00
Qatari Institutions	23.69%	8.00%	23,037,347.12
<b>Qatari</b>	<b>57.29%</b>	<b>35.96%</b>	<b>31,312,107.13</b>
GCC Individuals	0.41%	0.80%	(570,404.62)
GCC Institutions	0.30%	6.51%	(9,107,695.42)
<b>GCC</b>	<b>0.71%</b>	<b>7.31%</b>	<b>(9,678,100.04)</b>
Non-Qatari Individuals	11.80%	7.28%	6,630,181.34
Non-Qatari Institutions	30.20%	49.45%	(28,264,188.43)
<b>Non-Qatari</b>	<b>42.00%</b>	<b>56.73%</b>	<b>(21,634,007.08)</b>

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
Saudi Steel Pipe Co.	Saudi Arabia	SR	161.9	3.6%	-9.6	N/A	-10.2	N/A
Advanced Petrochemical Company	Saudi Arabia	SR	681.0	-9.2%	207.3	-15.9%	192.3	-24.1%
Saudi Printing and Packaging Co.	Saudi Arabia	SR	237.6	-7.2%	-0.4	N/A	-13.7	N/A
National Medical Care Co.	Saudi Arabia	SR	169.9	-14.6%	20.2	-22.0%	13.8	-31.8%
Al-Babtain Power and Telecom. Co.	Saudi Arabia	SR	358.0	47.1%	24.1	792.6%	20.8	1.5%
Saudi Arabian Amiantit Co.	Saudi Arabia	SR	163.6	-18.0%	-238.0	N/A	-262.0	N/A
Middle East Paper Co.	Saudi Arabia	SR	176.1	-19.4%	3.5	-90.4%	-4.0	N/A
Umm Al-Qura Cement Co.	Saudi Arabia	SR	46.4	49.2%	18.4	233.9%	12.3	6,052.8%
National Central Cooling Company	Dubai	AED	375.2	-0.3%	135.5	10.8%	119.3	-11.1%
Orient Insurance	Dubai	AED	944.6	-6.6%	-	-	99.6	12.1%
Dubai Refreshment	Dubai	AED	162.7	7.8%	20.0	155.0%	18.7	167.9%
Dubai Investments	Dubai	AED	724.5	11.0%	-	-	151.2	17.1%
Al Ramz Corporation Inv. and Dev.	Dubai	AED	4.0	-16.0%	-	-	12.6	3.5%
Deyaar Development	Dubai	AED	161.8	17.6%	-	-	18.5	-26.7%
Gulf Cement Co.	Abu Dhabi	AED	108.8	0.0%	-	-	-0.6	N/A
RAK Insurance	Abu Dhabi	AED	332.3	43.7%	-	-	4.6	-38.7%
Al Buhaira national Insurance Co.	Abu Dhabi	AED	214.6	72.7%	-	-	7.0	-41.8%
Abu Dhabi National Insurance Co.	Abu Dhabi	AED	606.4	2.2%	-	-	66.0	19.2%
Ras Al Khaimah National Ins. Co.	Abu Dhabi	AED	200.3	76.5%	-	-	3.2	-23.2%
National Industries Group Holding	Kuwait	KD	66.8	21.2%	26.7	19.3%	16.2	153.6%
Bahrain Family Leisure <sup>#</sup>	Bahrain	BHD	305.4	-3.1%	-17.8	N/A	-1.4	N/A
Bahrain Cinema Company	Bahrain	BHD	2.5	22.7%	0.5	30.3%	1.3	94.1%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (#Values in thousands)

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08/01	US	Department of Labor	Initial Jobless Claims	27-July	215k	214k	207k
08/01	US	Department of Labor	Continuing Claims	20-July	1,699k	1,674k	1,677k
08/01	US	Bloomberg	Bloomberg Consumer Comfort	28-July	64.7	-	63.7
08/01	US	Markit	Markit US Manufacturing PMI	July	50.4	50.1	50.0
08/01	US	Bureau of Labor Statistics	Unemployment Rate	July	3.7%	3.6%	3.7%
08/01	UK	Markit	Markit UK PMI Manufacturing SA	July	48.0	47.6	48.0
08/01	EU	Markit	Markit Eurozone Manufacturing PMI	July	46.5	46.4	46.4
08/02	EU	Eurostat	PPI MoM	June	-0.6%	-0.3%	-0.1%
08/02	EU	Eurostat	PPI YoY	June	0.7%	0.8%	1.6%
08/02	EU	Eurostat	Retail Sales MoM	June	1.1%	0.3%	-0.6%

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08/02	EU	Eurostat	Retail Sales YoY	June	2.6%	1.3%	1.0%
08/01	Germany	Markit	Markit/BME Germany Manufacturing PMI	July	43.2	43.1	43.1
08/01	France	Markit	Markit France Manufacturing PMI	July	49.7	50.0	50.0
08/01	China	Markit	Caixin China PMI Mfg	July	49.9	49.5	49.4
08/01	India	Markit	Markit India PMI Mfg	July	52.5	-	52.1

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
IGRD	Investment Holding Group	4-Aug-19	0	Due
GISS	Gulf International Services	4-Aug-19	0	Due
QISI	Qatar Islamic Insurance Company	4-Aug-19	0	Due
BRES	Barwa Real Estate Company	5-Aug-19	1	Due
SIIS	Salam International Investment Limited	5-Aug-19	1	Due
MPHC	Mesaieed Petrochemical Holding Company	5-Aug-19	1	Due
ZHCD	Zad Holding Company	5-Aug-19	1	Due
QOIS	Qatar Oman Investment Company	5-Aug-19	1	Due
MCCS	Mannai Corporation	6-Aug-19	2	Due
MERS	Al Meera Consumer Goods Company	6-Aug-19	2	Due
MRDS	Mazaya Qatar Real Estate Development	7-Aug-19	3	Due

Source: QSE

## News

### Qatar

- Qatar Central Bank cuts lending rate by 25 basis points** – Taking into account the evolving domestic and international macroeconomic developments, Qatar Central Bank (QCB) decided to reduce the QCB lending rate (QCBLR) by 25 basis points (bps) to 4.75%. The QCB decision comes in line with the US Federal Reserve's move on Wednesday to cut the benchmark overnight lending rate for the first time since 2008 by a quarter points to a range of 2.00% to 2.25%. (Peninsula Qatar)
- IQCD posts 36.7% YoY decrease but 16.5% QoQ increase in net profit in 2Q2019, beating our estimate** – Industries Qatar's (IQCD) net profit declined 36.7% YoY (but rose 16.5% on QoQ basis) to QR785.6mn in 2Q2019, beating our estimate of QR681.5mn (variation of +15.3%). The company's Revenue came in at QR1051.3mn in 2Q2019, which represents a decrease of 36.1% YoY (-16.7% QoQ). EPS amounted to QR0.24 in 6M2019 as compared to QR0.41 in 6M2018. IQCD recorded a net profit of QR1.5bn and EPS of QR0.24 for the period ended June 30, 2019. This compares with net profit of QR2.5bn and earnings per share of QR0.41 for the same period of 2018. The cash position across the group remained strong with total cash across the group of QR10.7bn after paying the 2018 annual dividend of QR3.6bn, and total debt of only QR10.9mn, reflecting the group's strong liquidity position. During the current reporting period, the group operated under tightened trading conditions, as demand for products remained somewhat low and the product prices have softened. Product prices on average have declined by 10%, which has contributed for a QR0.6bn reduction in the group's net earnings. Overall sales volumes, on the other hand, were also slightly down on the backdrop of lower production due to periodic maintenance. However, the group was able to improve its performance during the second quarter compared to the first quarter of 2019. This

improvement was primarily driven by a gradual recovery in product prices, most notably in the prices of polyethylene and steel products. Reported revenue for the period ended June 30, 2019 was QR2.3bn, a decrease of 24%, over the same period of 2018. This YoY reduction was due to a moderate fall in the sales volumes and prices of the group's steel products following muted demand in the domestic market and increasing international competition. On the other hand, on a like-for-like basis, management reporting revenue – assuming proportionate consolidation — was QR6.7bn, a decrease of QR1.5bn or 18%, versus the same period of 2018. This YoY reduction was primarily driven by a moderate reduction in the product prices and sales volumes across all segments. Product prices were down by 10% on the backdrop of lower crude oil prices, while sales volumes decreased by 9% on account of weaker demand, periodic planned maintenance and unplanned outages. Prices of petrochemical products were moderately down compared to the same period of 2018. A marginal reduction in crude oil prices, and muted demand in some major markets due to unfavorable economic conditions resulted in weaker petrochemical product prices. Petrochemicals sales volumes were also down last year due to periodic planned shutdowns and unplanned outages. Fertilizer prices, on the other hand, have improved marginally compared to the same period of 2018. The increase was driven by improved demand from some of the large agricultural economies, together with increased raw material costs and regulatory pressure on non-environment compliant producers. Sales volumes, however, were marginally down last year. Prices in the steel segment were also down YoY due to a number of reasons, including lower demand and higher competition. In the domestic market, prices were affected by the relatively lower demand in the current period, while the regional demand was also affected by the availability of low price steel from non-GCC producers, especially Turkey. Prices in other markets, like the

Far East, were affected by the supply of low cost steel from countries like China. The fierce international competitions together with muted local consumption of steel have affected the volumes sold during the current year, and the steel sales volumes were slightly down last year. Total debt across the group is only QR10.9mn. This debt is expected to be settled during the second half of 2019. Moody's Investor Services (MIS) has updated its credit opinion on the group and maintained 'A1' rating with a 'Stable' Outlook. (QNB FS Research, QSE, Peninsula Qatar)

- **QNCD's net profit declines 57.0% YoY and 49.3% QoQ in 2Q2019** – Qatar National Cement Company's (QNCD) net profit declined 57.0% YoY (-49.3% QoQ) to QR33.7mn in 2Q2019. The company's revenue came in at QR164.3mn in 2Q2019, which represents a decrease of 15.0% YoY (-22.9% QoQ). In 1H2019, QNCD reported a net profit of QR100.1mn as compared to QR168.5mn in 1H2018. EPS amounted to QR0.153 in 1H2019 as compared to QR0.258 in 1H2018. (QSE)
- **QCB's cyber security program provides Qatar's financial sector with 'unique visibility' on cyber risks, threats** – With the emergence of cyber-attacks on financial institutions and the threat that it holds towards financial stability of the system, Qatar Central Bank (QCB) has established a dedicated cyber security function to guide financial institutions and help them in protecting the underlying information infrastructure from potential threats, and maintain a high level of cyber resilience. This function focused at developing the fundamental elements of a cyber-security program, starting with the governance component among six key domains of cyber security pillars, the QCB stated in its 10th Financial Stability Review (FSR). These key domains include governance, threat intelligence, security operations, security architecture, risk management, and cyber security capabilities development. This comprehensive cyber security program, QCB stated, will provide it and the financial sector with a “unique visibility” on cyber risks and threat actors. As part of this program, QCB is collaborating with different stakeholders including some academic institutions to share knowledge and experience in the cyber security field. (Gulf-Times.com)
- **High wealth, hydrocarbon reserves bolster Qatar credit profile, says Moody's** – Qatar's credit profile (Aa3 stable) is supported by the government's strong net creditor position, the country's exceptionally high per capita income, and vast hydrocarbon reserves, Moody's Investors Service stated in an annual report. Credit challenges include the government's reliance on hydrocarbon-related revenue, which exposes the public finances to oil price declines, while the relatively large debt burden of the non-financial public sector carries some contingent liability risks. “Moderate fiscal and external break-even oil prices have helped Qatar to withstand the oil price shock,” said Alexander Perjessy, a Moody's Vice President, Senior Analyst and the report's co-author. “Although the country's economy still relies heavily on the oil and gas sector, non-hydrocarbon growth has been a key growth driver.” The stable rating outlook reflects Moody's assessment that Qatar's credit metrics are likely to remain consistent with an 'Aa3' rating, despite the continuing diplomatic, economic, and financial blockade by Bahrain, Egypt, Saudi Arabia, and the

UAE. A sustained and significant reduction in external vulnerabilities through a decrease in external debt and a rebuilding of foreign exchange reserves would likely prompt an upgrade of the rating. (Gulf-Times.com)

- **QCB: Qatari banks' assets in Europe jump 32% in 2018** – Qatar's banking sector assets outside the country grew last year after a 'considerable decline' observed in 2017 in the aftermath of blockade, QCB data show. QCB data on geographical distribution of cross border assets from domestic banks shows they have increased their assets outside Qatar by around 2%. This increase was 'solely concentrated' in European countries, while assets with other regions have 'declined'. Among the geographical regions, assets with GCC region 'declined the most' by around 18%. Assets with European region increased significantly by 32%. Accordingly, the share of domestic banks assets with Europe increased from 30.1% in 2017 to 38.7% in 2018. Share of assets in GCC countries have reduced by around four percentage points, QCB stated. Among the various asset class, credit declined the most by 11%, contributed mainly by decline of credit provided to GCC countries (20%) and other countries (24%). However, credit provided to European region increased by 21%. On the contrary, assets with financial institutions increased by 43% supported by a substantial growth of 88% to European region. Assets with financial institutions in GCC region and other MENA region declined considerably during the year. (Gulf-Times.com)
- **Kahramaa receives five bids from leading firms for solar plant** – Qatar General Electricity and Water Corporation (Kahramaa ) has received five bids from international developers qualified for the first solar power project in the country to produce electricity by using photovoltaic technology. The project is being executed by the public-private partnership system, where Kahramaa reviews and evaluates technical, legal and commercial offers. Being built near the Al Kharsa'a district, the West Doha Solar Power Plant project is spread over an area of 10 square kilometers. The total capacity of the solar power project is estimated to be a minimum of 700 MW, of which 350 MW will be connected to the grid in the first quarter of 2021, and commercial operation will begin in the first quarter of 2022. Kahramaa has already qualified 16 of the world's leading companies to establish and develop solar power plants, where bids were received from companies and alliances from France, Japan, South Korea and China, demonstrating the strength and attractiveness of the Qatari market and the interest of international companies in the partnership. (Gulf-Times.com)
- **QCFS studying land acquisition proposal at Najma** – Qatar Cinema and Film Distribution Company (QCFS) has announced that it has received a letter from the Urban Planning Department of the Ministry of Municipality and Environment inviting them to discuss the proposals submitted by the department and the Ministry of Transport and Communications regarding the partial or full acquisition of the land owned by QCFS in Najma area. The proposal for acquisition of the land has been made to accomplish the Al Hilal Station as part of the Doha Metro project of Qatar Rail. The proposals are still under discussion and being studied by the board of directors of the QCFS. (Qatar Tribune)

- **Qatar freehold zones ‘to spur investments in real estate’** – The expansion of “freehold zones” in Qatar from three to 10 facilitates increase in investment opportunities in the country’s real estate, researcher DTZ/Cushman & Wakefield has said in a report. Among many findings, DTZ’s research team “identified an increase in investment opportunities as a result of the implementation of Law No16 of 2018, which was introduced in March 2019 and expanded the number of freehold zones from three to 10.” In its H1, 2019 Qatar real estate market report, DTZ/Cushman & Wakefield said the zones will encourage non-Qatari real estate investments in Lusail, West Bay and Onaiza as foreign purchasers take advantage of the many premium products coming to the market. DTZ has seen an increase in leasing inquiries and activity in the office sector in the second quarter (2Q) of 2019, largely from companies that operate under the Qatar Financial Centre (QFC). During the first half (1H) of 2019, DTZ recorded over 55,000sqm of office space inquiries. (Gulf-Times.com)
  - **Land transaction value grows by 20% in 1H** – More investors are now purchasing plots of land in areas outside Qatar, seeing their future demand as the city expands outwards. According to Richard Rayner, Director and Head of Valuation at DTZ Qatar, land has been traded more than any other real estate asset in Qatar in recent years which has also led to surge in prices. While addressing a seminar to present an overview of Qatar’s real estate market, Rayner said the total value of land transactions in Qatar has increased by 20% to QR567.4mn during the first half of 2019 compared to the same period in 2018. The number of land transactions totaled to 788, with an increase of 2.5% in the average land rate (QR304 per sq ft) across the country. As many as 50% of the total number of transactions were seen in the municipalities of Al Daayen, Al Rayyan, Al Wakrah, and Al Khor. Rayner said many buyers are now seeing the future demand for land in these areas and are now investing to either develop the properties or hold them for future trading. (Peninsula Qatar)
  - **Qatar’s July exports drop to all regions except China** – Combined crude and condensate shipments from Qatar declined by 78k b/d in July as boost in exports to China is offset by lower flows to all other destinations led by Japan and South Korea, tracking data compiled by Bloomberg showed. Observed exports slipped to 855k b/d in July, lowest since January when volumes were steady. (Bloomberg)
  - **NBH signs deal with ATIP Group of Companies** – The Qatar-based Nasser Hamad Management Consulting (NBH) signed a contract with US-based ATIP Group of Companies, recently. The contract involves multi-billion-Dollar worth of investments that will be carried out over the course of the next five years. The contract involved a set of investment and development projects that will be introduced in the near future. (Peninsula Qatar)
  - **Over one million visits Qatar in June** – Owing to various initiatives taken by the Qatar National Tourism Council, a large number of visitors from around the globe are visiting Qatar and their number crossed one million in June this year. According to recently released figures by the Planning and Statistics Authority, as many as 1,053,015 people visited Qatar in June 2019. The official statistics reveal that 113,302 visitors belong to GCC countries; 76, 666 people from other Arab countries; 21,052 from other African countries; 408,071 from other countries of Asia including Oceania; 338,692 from Europe and 95, 232 visitors came from Americas. (Peninsula Qatar)
  - **Envoy: Qatari-Czech relations witnessing remarkable development** – Qatar’s non-resident Ambassador to the Czech Republic, Sheikh Saud bin Abdulrahman Al Thani, said that the Qatari-Czech relations are witnessing remarkable development at various levels, especially on the economic front. The volume of trade between the two countries increased from \$102mn in 2013 to \$187mn in 2017, a growth rate of 82%, Ambassador Sheikh Saud bin Abdulrahman Al Thani said in an interview with Czech magazine ‘The Business’. He added that Qatar Airways’ opening of a new tourist destination from Hamad International Airport to Vclav Havel Airport in Prague has contributed to promoting tourism in the Czech Republic and enhancing direct communication between the two countries. (Peninsula Qatar)
- International**
- **QNB Group: Lower rates to boost global economy despite headwinds** – Lower interest rates will support the global economy despite constraints, QNB Group stated in its weekly economic report. QNB Group took stock of the three main headwinds and the main areas of policy support, focusing on how high debt levels may be preventing central banks from raising interest rates to a more normal level. The first major headwind to the global economy is increased protectionism from the US in its trading relationships with other countries. This is most evident in the trade war between the US and China, but is also at play in the process to update the North American Free Trade Agreement (NAFTA) and trade tensions between the US and Europe. QNB Group said, “Our optimism about a deal in April was based on our understanding that the technical aspects of a deal had been discussed and broadly agreed by trade experts on both sides. US President Trump is pushing something that he can present as a deal to help with his campaign for re-election. “However, we now believe that the long-term strategic rivalry between the US and China will prevent a substantive deal being agreed.” Second, political uncertainty is a headwind for growth in a number of countries and regions. For example, Britain’s new Prime Minister Boris Johnson has promised to deliver Brexit on October 31, 2019 with or without a deal. The third headwind comes from high levels of global debt, according to QNB Group. (Qatar Tribune)
  - **US hiring slows; shorter factory workweek a red flag** – US job growth slowed in July and manufacturers slashed hours for workers, which together with an escalation in trade tensions between the US and China could give the Federal Reserve ammunition to cut interest rates again next month. The Labor Department’s closely watched monthly employment report on Friday came a day after President Donald Trump announced an additional 10% tariff on \$300bn worth of Chinese imports starting September 1, a move that led financial markets to fully price in a rate cut in September. The US central bank on Wednesday cut its short-term interest rate for the first time since 2008. Fed Chairman Jerome Powell described the widely anticipated 25-basis-point monetary policy easing as insurance against downside risks to the 10-year old economic expansion,

the longest in history, from trade tensions and slowing global growth. (Reuters)

- **US factory orders rise less than expected in June** – New orders for US-made goods rose less than expected in June and unfilled orders continued to shrink, pointing to persistent weakness in the manufacturing sector. Factory goods orders increased 0.6%, boosted by demand for machinery and transportation equipment, the Commerce Department stated on Friday. Data for May was revised down to show factory orders falling 1.3% instead of dropping 0.7% as previously reported. Economists polled by Reuters had forecasted factory orders would rise 0.8% in June. Shipments of manufactured goods increased 0.4% in June after edging up 0.1% in May. Unfilled orders at factories dropped 0.7% after declining 0.8% in May. Inventories rose 0.2% after the same gain in May. Factory orders increased 0.2% compared to June 2018. (Reuters)
- **Bank of England cuts growth forecasts as Brexit and global worries mount** – The Bank of England (BoE) lowered its growth forecasts on Thursday due to increased Brexit worries and a slowing global economy, but stopped short of following other central banks and considering an interest rate cut. A day after the US Federal Reserve reduced rates for the first time since the global financial crisis, the BoE stated it still expected to raise borrowing costs gradually - though this now hinged on a global pick-up as well as a “smooth” Brexit. “Profound uncertainties over the future of the global trading system and the form that Brexit will take are weighing on UK economic performance,” BoE Governor Mark Carney said. BoE forecasts showed a one-in-three chance that the economy would be shrinking in annual terms by the end of the first quarter of 2020, even without a disruptive Brexit. (Reuters)
- **PMI: UK construction sector contracts again, spillover risk seen** – Activity in Britain’s construction industry shrank for a third month in a row in July as Brexit worries hit building projects, amid concerns that the slowdown could soon spill over into other areas of the economy, a survey showed on Friday. The IHS Markit/CIPS construction Purchasing Managers’ Index (PMI) rose to 45.3, a less severe contraction than June’s 43.1 - which was the weakest reading in more than 10 years - but still well below the 50 level at which growth begins. Economists polled by Reuters had expected the index to recover more strongly to 46.0. A sharp drop in new orders - down for four months in a row - meant a quick turnaround was unlikely and confidence in the sector was the lowest since November 2012, IHS Markit said. Bank of England’s Governor, Mark Carney said on Thursday that “profound uncertainties” about Brexit and the rise of protectionism in the global economy were weighing on Britain. IHS Markit said commercial work was hardest hit in July, while civil engineering and house building also shrank. (Reuters)
- **Eurozone July factory activity contracts at fastest rate in six years** – Manufacturing activity in the Eurozone contracted at its steepest rate since late 2012 last month as demand sank, a survey showed, puncturing sentiment among factory managers. Forward-looking indicators in the survey suggest the sector won’t rebound any time soon and will likely embolden policymakers at the European Central Bank, who last week all but promised to ease policy further as the bloc’s growth outlook

deteriorates. IHS Markit’s July final manufacturing Purchasing Managers’ Index (PMI) was 46.5, just above an earlier flash reading of 46.4, but below June’s 47.6 and chalking up its sixth straight month below the 50 level that separates growth from contraction. July’s headline index was at its lowest since December 2012 and a measure of output, which feeds into a composite PMI due on Monday and is seen as a good gauge of economic health, dropped to a more than six-year low of 46.9 from 48.5. (Reuters)

- **Eurozone retail trade rises in June, industrial prices slip** – Retail trade in the Eurozone rose 1.1% in June on the month, the EU’s statistics agency Eurostat said on Friday, a sign that consumers may help support a weakening economy. Retail sales in the 19-country Eurozone rose far more than expected by economists polled by Reuters, who on average had forecast a 0.2% rise compared with May. Trade was lifted by spending on vehicle fuel, food and drink and a sharp increase in sales of clothing and shoes, Eurostat data showed, more than offsetting the 0.6% drop in sales recorded in May. In a separate release, Eurostat said prices at factory gates fell in June, compared with May, confirming weak inflation in the bloc. Industrial producer prices fell by 0.6% in the Eurozone, in the fourth consecutive monthly fall. The fall was larger than market forecasts of a 0.3% drop on the month. (Reuters)
- **PMI: German factories post weakest performance in seven years** – A recession in Germany’s manufacturing sector deepened in July with factories churning out goods at the slowest pace in seven years and export orders. Plunging the most in more than a decade, a survey showed on Thursday. IHS Markit’s Purchasing Managers’ Index (PMI) for manufacturing, which accounts for about a fifth of the economy, fell to 43.2 from 45.0 in June. The figure came in slightly better than a flash reading published last week, but still remained well below the survey’s 50.0 mark, which separates growth from contraction. IHS Markit economist Phil Smith said a combination of trade tensions, uncertainty over Brexit, problems in the car industry and weaker Chinese growth had been a “toxic mix” for manufacturers around the globe, but particularly those in Germany. (Reuters)
- **PMI: French manufacturing activity contracts in July** – French manufacturing activity contracted in July, a monthly survey showed on Thursday, as firms suffered their sharpest fall in output for three months, in a further sign of weakness in the Eurozone’s second biggest economy. Data compiler IHS Markit stated its final Purchasing Managers Index fell to 49.7 points in July from 51.9 in June. A reading below 50 points marks a contraction. IHS Markit said there had been a drop in new orders placed with French manufacturing companies, and a slowdown in the automotive sector, impacted by a trade dispute between the US and China. Data this week showed French economic growth slowed down slightly in the second quarter as consumer spending eased and companies drew down inventories. (Reuters)
- **China vows fight against Trump's latest tariffs as stocks sink** – China on Friday vowed to fight back against US President Donald Trump’s abrupt decision to slap 10% tariffs on the remaining \$300bn in Chinese imports, a move that ended a month-long trade truce. China’s new ambassador to the United

Nations, Zhang Jun, said Beijing would take “necessary countermeasures” to protect its rights and bluntly described Trump’s move as “an irrational, irresponsible act.” “China’s position is very clear that if US wishes to talk, then we will talk, if they want to fight, then we will fight,” Zhang told reporters in New York, also signaling that trade tensions could hurt cooperation between the countries on dealing with North Korea. Trump said China had to do a lot in order to turn things around in the trade talks and repeated an earlier threat to substantially increase tariffs if they failed to do so. “We can’t just go and make an even deal with China. We have to go and make a better deal with China,” Trump told reporters at the White House. The US president stunned financial markets on Thursday by saying he plans to levy the additional duties starting September 1, marking a sudden end to a truce in a year-long trade war between the world’s two biggest economies that has slowed global growth and disrupted supply chains. (Reuters)

- **Japan second-quarter GDP growth seen slowing but domestic demand offsetting some export pressure** – Japan’s economic growth likely slowed in the second quarter as cooling global demand and trade tensions weighed on exports, but brisk domestic demand offset some of the external pressure, a Reuters poll showed on Friday. GDP is forecast to have expanded an annualized 0.4% in April-June, decelerating from a revised 2.2% in the first quarter, the poll of 17 economists showed. That would translate into a 0.1% gain on a quarter-on-quarter basis, compared with a revised 0.6% in the January-March quarter, the poll showed. Japanese exports have fallen seven straight months through June, pressured by the US-China trade war and weakening global demand, particularly for hi-tech electronics. External demand - or exports minus imports - likely subtracted 0.5 percentage points from growth in the second quarter, the poll found, after it added 0.4 percentage points to growth in January-March. Domestic demand, however, likely rebounded in the April-June quarter, as a 10-day holiday boosted spending on services, cars and home appliances, analysts said. Private consumption, which accounts for about 60% of GDP, likely rose 0.6% for the quarter, reversing from a 0.1% fall in the first quarter. (Reuters)
- **Japan, US agreed to speed up trade talks aimed at bilateral deal** – Japan and the US agreed to accelerate trade talks, Japan’s Economy Minister Toshimitsu Motegi said on Thursday after meeting with his US counterpart. Speaking to reporters following the first day of meetings in Washington, D.C., Motegi said trade talks were progressing but he refrained from commenting on individual items. “We agreed to speed up talks,” Motegi told reporters after the meeting with US Trade Representative Robert Lighthizer. “There is no doubt that talks are moving along. We have not completely agreed at the moment, so we will deepen our talks.” US President Donald Trump has repeatedly said he is unhappy with Japan’s trade surplus with the US, much of it from auto exports, and wants a bilateral deal to fix it. (Reuters)

#### **Regional**

- **IIF: Rate cut to spur GCC non-oil growth** – With the US Fed cutting the overnight lending rate by 25 basis points for the first time since 2009 and hinting it may cut again this year,

most central banks in the region instantly followed the Fed and cut their key policy rates. The GCC countries follow the Fed and cut their key policy rates, as their currencies are pegged to the US Dollar. The IIF noted non-oil GDP growth in the GCC decelerated significantly following the sharp decline in oil prices in 2015 and the subsequent fiscal adjustment. At the same time, monetary policy tightening in the US, which started in late 2015 posed additional policy challenges to the authorities in the GCC. The impact of tight monetary stance on private sector growth has also been compounded by the escalation of regional tensions. Against this background, the latest cut in interest rates would help the economic recovery process. Monetary easing would make borrowing cheaper for investors. Lower interest rates will make credit more available to the private sector and provide a window of opportunity for companies to refinance loans at a lower cost. Despite lower oil prices, liquidity conditions in the region still look healthy except Oman. The IIF expects higher pressure on the net interest margins of the GCC banks, especially those with a higher focus on consumer lending. With tighter margins, M&A activity in the banking sector is likely to continue. While NPLs in the region remain low, they have increased moderately in the past three years. (Peninsula Qatar)

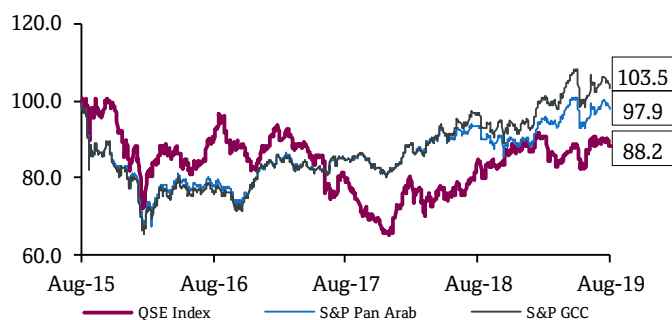
- **Bloomberg: OPEC’s Middle East oil exporters curbed flows to the lowest level since a production-cut agreement** – OPEC’s Middle East oil exporters curbed flows to the lowest level since a production-cut agreement by the organization and its allies came into effect in January 2017. The alliance early last month agreed to extend the pact through March. Saudi Arabia, Iraq, Kuwait, the UAE and Iran, which together account for about two thirds of OPEC’s entire production, shipped an average 14.98mn barrels a day of crude and condensate in July, tanker-tracking data compiled by Bloomberg showed. That’s the smallest amount since Bloomberg began compiling a regional total at the start of 2017. Flows were lower than in June from Saudi Arabia, Iran and the UAE, while Iraq and Kuwait both shipped more crude. Even when excluding shipments from Iran, crippled by the US sanctions, oil exports from the other four countries were the lowest since the so-called OPEC+ curbs began more than two-and-a-half years ago. (Bloomberg)
- **ARNB posts 19.7% YoY rise in net profit to SR894.2mn in 2Q2019** – Arab National Bank (ARNB) recorded net profit of SR894.2mn in 2Q2019, an increase of 19.7% YoY. Total operating profit rose 5.3% YoY to SR1,733.9mn in 2Q2019. Total revenue for special commissions/investments rose 19.0% YoY to SR1,954mn in 2Q2019. Total assets stood at SR170.9bn at the end of June 30, 2019 as compared to SR167.8bn at the end of June 30, 2018. Loans and advances stood at SR119.7bn (+1.9% YoY), while customer deposits stood at SR131.9bn (+2.0% YoY) at the end of June 30, 2019. EPS came in at SR1.11 in 1H2019 as compared to SR0.94 in 1H2018. (Tadawul)
- **Saudi Arabia may cut crude oil prices to Asia in September** – Top oil exporter Saudi Arabia may cut prices for most of the crude grades it sells to Asia for a second straight month in September after Middle East benchmark prices weakened. The official selling price (OSP) for flagship Arab Light crude could drop by at least 50 cents a barrel, falling below a premium of \$2 a barrel for the first time in four months, a Reuters survey of

five buyers in Asia showed. The cuts would track a backwardation between prompt and third month Dubai prices that narrowed by 70 cents a barrel in July versus June. Spot prices are higher than those in future months in a backward market. Asia's incremental demand for September-loading Middle East crude weakened last month with several North Asian refineries scheduled to shut for maintenance during their autumn season. (Reuters)

- **Saudi Arabia's Energy Minister says he discussed oil markets with Russian counterpart** – Saudi Arabia's Energy Minister, Khalid Al-Falih discussed oil markets with his Russian counterpart and stressed that Saudi Arabia would continue to comply with production cuts until the end of 1Q2020, the Minister said. "We confirm that we will continue to hold such meetings and talks between our two countries to ensure further progress, partnership, investment development and mutual trade," Al-Falih added. (Reuters)
- **Saudi Arabia steering ever more oil to China, draining US** – Signals from oil tankers last month suggest that Saudi Arabia is sending an ever-larger portion of its crude to China - with the US losing out. Saudi Arabia's observed exports to China soared to 1.74mn barrels a day in July, the highest since Bloomberg began tracking the tanker shipments in January 2017. At the same time, the Kingdom's shipments to the US appear to have tumbled to 161,000 barrels a day, the lowest during that same period. The divergence illustrates the current state of energy geopolitics. The OPEC is the largest producer and a group of allies last month agreed to extend production cuts. A big reason behind the curbs is soaring the US output, which is near record levels in weekly data. The US inventories have dropped in recent months as Saudi shipments to the country have declined. (Bloomberg)
- **Kuwait, Iraq sign up UK energy adviser for joint oilfield study** – Kuwait and Iraq signed an agreement with British energy advisory firm ERC Equipoise to prepare a study for the development of joint border oilfields, Kuwait's state news agency KUNA stated. The contract, which will study how the fields can be developed and exploited, was signed between officials of both Gulf States in Jordan and is expected to last for up to two and a half years, KUNA stated. There are several oilfields in the border area between Iraq and Kuwait, including Ratqa, which is a southern extension of Iraq's giant Rumaila field. Production from cross-border oilfields has long been a source of tension between Iraq and Kuwait, which are members of the OPEC. (Reuters)
- **Ahli United Bank expects merger due diligence to be completed in August** – Bahrain-based Ahli United Bank stated it expects due diligence studies on its potential merger with Kuwait Finance House to be completed in August. (Bloomberg)
- **Khaleeji Commercial Bank buys 267,823 treasury shares** – Khaleeji Commercial Bank announced that it bought 267,823 treasury shares, increasing the total holding of treasury shares from 104,024,693 shares (9.91% of paid up capital) to 104,292,516 shares i.e., 9.93% of paid up capital. (Bahrain Bourse)

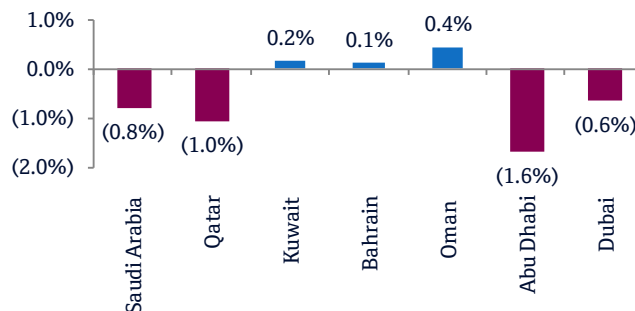


## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,440.60	(0.3)	1.5	12.3
Silver/Ounce	16.20	(0.8)	(1.2)	4.6
Crude Oil (Brent)/Barrel (FM Future)	61.89	2.3	(2.5)	15.0
Crude Oil (WTI)/Barrel (FM Future)	55.66	3.2	(1.0)	22.6
Natural Gas (Henry Hub)/MMBtu	2.12	(10.2)	(6.2)	(33.5)
LPG Propane (Arab Gulf)/Ton	44.63	0.3	(8.2)	(30.3)
LPG Butane (Arab Gulf)/Ton*	44.50	0.0	2.9	(36.4)
Euro	1.11	0.2	(0.2)	(3.1)
Yen	106.59	(0.7)	(1.9)	(2.8)
GBP	1.22	0.3	(1.8)	(4.6)
CHF	1.02	0.8	1.2	(0.1)
AUD	0.68	0.0	(1.6)	(3.5)
USD Index	98.07	(0.3)	0.1	2.0
RUB	65.26	1.4	3.0	(6.4)
BRL	0.26	(1.3)	(2.9)	(0.2)

Source: Bloomberg (\*Market was closed on August 2, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,149.99	(1.1)	(3.0)	14.1
DJ Industrial	26,485.01	(0.4)	(2.6)	13.5
S&P 500	2,932.05	(0.7)	(3.1)	17.0
NASDAQ 100	8,004.07	(1.3)	(3.9)	20.6
STOXX 600	378.15	(2.1)	(3.3)	8.7
DAX	11,872.44	(2.7)	(4.5)	9.2
FTSE 100	7,407.06	(2.3)	(3.8)	4.9
CAC 40	5,359.00	(3.2)	(4.5)	9.9
Nikkei	21,087.16	(0.7)	(0.7)	9.1
MSCI EM	1,003.76	(2.0)	(4.3)	3.9
SHANGHAI SE Composite	2,867.84	(2.0)	(3.5)	14.0
HANG SENG	26,918.58	(2.3)	(5.3)	4.2
BSE SENSEX	37,118.22	(0.8)	(3.1)	3.0
Bovespa	102,673.70	(0.8)	(2.9)	16.7
RTS	1,293.19	(4.0)	(4.1)	21.0

Source: Bloomberg (\*\$ adjusted returns)

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