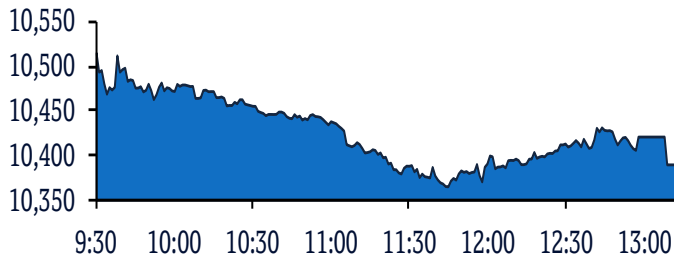


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index declined 0.9% to close at 10,390.1. Losses were led by the Real Estate and Industrials indices, falling 1.5% and 1.4%, respectively. Top losers were Qatari German Company for Medical Devices and The Commercial Bank, falling 4.1% and 3.1%, respectively. Among the top gainers, Al Khaleej Takaful Insurance Company gained 9.8%, while Qatar Oman Investment Company was up 2.0%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 1.0% to close at 8,975.6. Gains were led by the Real Estate Mgmt and Pharma, Biotech indices, rising 3.1% and 2.1%, respectively. Amana Coop. Ins. rose 6.3%, while Dar Al Arkan Real Estate Dev was up 6.2%.

**Dubai:** The DFM Index gained marginally to close at 2,614.3. The Insurance index rose 2.3%, while the Transportation index gained 1.4%. Dubai Islamic Insurance and Reinsurance Co. rose 4.5%, while Islamic Arab Insurance Co. was up 3.9%.

**Abu Dhabi:** The ADX General Index fell 1.1% to close at 4,901.1. The Services index declined 2.2%, while the Energy index fell 2.0%. Abu Dhabi National Energy Company declined 9.2%, while Methaq Takaful Insurance Co. was down 6.3%.

**Kuwait:** The Kuwait Main Market Index gained marginally to close at 4,775.8. The Consumer Goods index rose 0.9%, while the Banks index gained 0.4%. Al Mudon Int. Real Estate Co. rose 8.4%, while Kuwait Finance & Investment was up 7.7%.

**Oman:** The MSM 30 Index gained 0.1% to close at 3,918.9. The Financial index gained 0.4%, while the other indices ended in red. Ominvest rose 3.7%, while Construction Materials Ind. was up 2.9%.

**Bahrain:** The BHB Index fell marginally to close at 1,449.8. The Services index declined 0.8%, while the other indices ended flat or in green. Bahrain Duty Free Shop Complex declined 5.9%, while Seef Properties was down 2.4%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Al Khaleej Takaful Insurance Co.	18.68	9.8	452.9	117.5
Qatar Oman Investment Company	0.56	2.0	41.2	5.1
Investment Holding Group	5.79	0.7	103.8	18.4
Qatari Investors Group	22.00	0.6	40.9	(20.9)
QNB Group	19.19	0.6	3,578.5	(1.6)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.41	(1.4)	6,432.7	1.2
Masraf Al Rayan	3.63	0.3	5,167.2	(12.9)
QNB Group	19.19	0.6	3,578.5	(1.6)
Vodafone Qatar	7.05	(0.3)	2,996.1	(9.7)
Qatari German Co for Med. Devices	7.64	(4.1)	2,639.2	35.0

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,390.08	(0.9)	(1.2)	1.1	0.9	141.16	157,988.4	14.6	1.6	4.2
Dubai	2,614.31	0.0	(0.7)	(0.2)	3.3	31.25	94,843.1	11.6	1.0	4.7
Abu Dhabi	4,901.08	(1.1)	(1.3)	(2.0)	(0.3)	42.64	135,937.0	14.5	1.4	5.1
Saudi Arabia	8,975.63	1.0	0.4	5.4	14.7	1,481.79	566,331.6	20.6	2.0	3.2
Kuwait	4,775.84	0.0	(0.6)	0.8	0.8	96.79	32,906.7	14.5	0.9	3.8
Oman	3,918.90	0.1	0.0	(0.4)	(9.4)	16.21	17,001.8	7.7	0.8	7.0
Bahrain	1,449.76	(0.0)	0.1	1.1	8.4	20.45	22,519.7	10.6	0.9	5.2

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	17 June 19	16 June 19	%Chg.
Value Traded (QR mn)	271.6	130.9	107.5
Exch. Market Cap. (QR mn)	575,130.7	578,603.6	(0.6)
Volume (mn)	30.9	18.3	68.8
Number of Transactions	7,351	3,449	113.1
Companies Traded	44	45	(2.2)
Market Breadth	7:33	16:22	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,118.62	(0.9)	(1.2)	5.4	14.6
All Share Index	3,079.10	(0.7)	(0.6)	0.0	14.6
Banks	4,039.58	(0.2)	0.4	5.4	14.1
Industrials	3,232.08	(1.4)	(2.4)	0.5	16.3
Transportation	2,435.59	(0.3)	(0.3)	18.3	13.1
Real Estate	1,548.63	(1.5)	(1.1)	(29.2)	12.9
Insurance	3,133.35	(0.7)	(0.6)	4.2	18.1
Telecoms	901.54	(1.3)	(2.0)	(8.7)	18.5
Consumer	7,932.66	(1.1)	(1.4)	17.5	15.5
Al Rayan Islamic Index	4,026.32	(1.0)	(1.5)	3.6	13.8

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Dar Al Arkan Real Estate	Saudi Arabia	12.04	6.2	48,795.0	33.5
Saudi Arabian Mining Co.	Saudi Arabia	53.50	3.9	1,646.3	8.5
Ominvest	Oman	0.33	3.7	737.7	(3.7)
Saudi Arabian Fertilizer	Saudi Arabia	84.50	3.7	723.8	9.6
Comm. Bank of Kuwait	Kuwait	0.52	3.4	3.8	14.2

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Human Soft Holding Co.	Kuwait	3.22	(3.6)	89.5	(1.8)
The Commercial Bank	Qatar	4.65	(3.1)	1,319.3	18.1
DP World	Dubai	16.50	(2.9)	1,282.2	(3.5)
Sembcorp Salalah Power.	Oman	0.11	(2.8)	580.0	(40.7)
Abu Dhabi Comm. Bank	Abu Dhabi	8.20	(2.7)	7,248.1	0.5

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.	7.64	(4.1)	2,639.2	35.0
The Commercial Bank	4.65	(3.1)	1,319.3	18.1
Mannai Corporation	39.00	(2.4)	26.1	(29.0)
Industries Qatar	114.00	(2.1)	155.3	(14.7)
Medicare Group	56.60	(2.0)	29.1	(10.3)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.19	0.6	68,426.9	(1.6)
Vodafone Qatar	7.05	(0.3)	21,127.9	(9.7)
Qatari German Co for Med. Dev.	7.64	(4.1)	21,004.6	35.0
Masraf Al Rayan	3.63	0.3	18,791.4	(12.9)
Industries Qatar	114.00	(2.1)	17,830.8	(14.7)

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index declined 0.9% to close at 10,390.1. The Real Estate and Industrials 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 The Commercial Bank were the top losers, falling 4.1% and 3.1%, respectively. Among the top gainers, Al Khaleej Takaful Insurance Company gained 9.8%, while Qatar Oman Investment Company was up 2.0%.
- Volume of shares traded on Monday rose by 68.8% to 30.9mn from 18.3mn on Sunday. However, as compared to the 30-day moving average of 45.9mn, volume for the day was 32.7% lower. Qatar First Bank and Masraf Al Rayan were the most active stocks, contributing 20.8% and 16.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	33.92%	29.31%	12,513,336.48
Qatari Institutions	10.93%	18.69%	(21,080,899.48)
<b>Qatari</b>	<b>44.85%</b>	<b>48.00%</b>	<b>(8,567,563.00)</b>
GCC Individuals	1.79%	1.19%	1,609,894.50
GCC Institutions	0.16%	3.82%	(9,935,998.14)
<b>GCC</b>	<b>1.95%</b>	<b>5.01%</b>	<b>(8,326,103.64)</b>
Non-Qatari Individuals	8.89%	7.47%	3,864,936.88
Non-Qatari Institutions	44.31%	39.51%	13,028,729.75
<b>Non-Qatari</b>	<b>53.20%</b>	<b>46.98%</b>	<b>16,893,666.64</b>

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

## Stock Split Dates for Listed Qatari Companies

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

- QSE executes splits of share for MERS** – Qatar Stock Exchange (QSE) announced that the split of shares for Al Meera Consumer Goods Company (MERS) has been executed, effective from June 18, 2019. The new number of MERS' shares after the split is 200,000,000 and the adjusted closing price of QR14.25 per share. QSE also sets price limits, (i) Price up limit: QR15.67 and (ii) Price down limit: QR12.83. (QSE)
- QSE executes splits of share for MCCS** – Qatar Stock Exchange (QSE) announced that the split of shares for Mannai Corporation (MCCS) has been executed, effective from June 18, 2019. The new number of MCCS' shares after the split is 456,192,000 and the adjusted closing price of QR3.90 per share.

QSE also sets price limits, (i) Price up limit: QR4.29 and (ii) Price down limit: QR3.51. (QSE)

- MCCS inaugurates its new headquarters** – Mannai Corporation (MCCS) announced that the HE Ali bin Ahmed Al Kuwari Minister of Commerce & Industry inaugurated the new headquarters of Mannai Group. The new headquarters of MCCS is a three storey modern and efficient building encompassing offices and showrooms fit for the continued growth and expansion of the company. (QSE)
- S&P affirms Qatar Petroleum's foreign and local currency long-term issuer credit ratings at 'AA-' with 'Stable' outlook** – S&P Global Ratings (S&P) affirmed its 'AA-' foreign and local currency long-term issuer credit ratings on Qatar Petroleum

(QP) with 'Stable' outlook. S&P equalize its ratings on QP with its sovereign ratings on Qatar (AA-/Stable/A-1+), reflecting its opinion that there is an almost certain likelihood that QP would receive timely and sufficient extraordinary support from the Qatar government in the event of financial distress. S&P stated, "We base our assessment of the likelihood of support on our view of QP's critical role for Qatar's government and economy, and its integral link to the state. We also take into account QP's substantial contribution to the government's balance sheet." (Bloomberg)

- **Qatar to attend Arab Coordination Meeting today** – Qatar will participate in the Arab Coordination Meeting to prepare for the fifth session of the Arab-China Political Dialogue and the 16<sup>th</sup> session of the senior officials meeting of the Arab-China Cooperation Forum to be held in Abu Dhabi today. Qatar's Permanent Representative to the Arab League Ambassador Ibrahim bin Abdulaziz Al-Sahlawi will head Qatar's delegation to the meetings. The meetings will discuss Arab-Chinese cooperation in all fields and coordination between them on various issues of mutual concern. (Gulf-Times.com)
- **World Bank: Investor confidence in Qatar underpinned by country's financial assets** – Investor confidence in Qatar remains underpinned by financial assets of over \$300bn held in a sovereign wealth fund and demonstrated in the country's ability to raise money on the international bond markets at relatively low yields, the World Bank has stated in a report. All three major credit rating agencies rate Qatari bonds as investment grade assets, the World Bank stated in its latest country report. According to the World Bank, Qatar's banking system remains well capitalized and asset quality strong. Liquidity pressures that emerged following the Gulf rift in 2017 have fully waned (in part due to increased government deposits in the banking system), and foreign exchange reserves have recovered to pre-rift (blockade on Qatar) levels. "Despite the peg to the Dollar, the central bank has not lifted policy rates in line with the US Fed, reflecting efforts to support the economy," the World Bank noted. (Gulf-Times.com)
- **CEO: Qatar Airways poised to announce new airline investment in coming months** – Qatar Airways will announce a stake in a sixth overseas carrier in coming months, Qatar Airways' CEO, Akbar Al Baker said, as the Persian Gulf operator turns to outside investments to boost revenue and cash amid a Saudi-led embargo restricting its own flights. The deal will add to Qatar Airways' interests in British Airways owner IAG SA, the number one South American carrier Latam Airlines Group SA, Cathay Pacific Airways Ltd., China Southern Airlines Co. and Air Italy SpA. Al Baker, speaking on Bloomberg TV, would not name the company concerned but said the acquisition will be a 2019 story. He said, "We are buying stakes in successful airlines and we will continue to do so. Soon you will hear about another investment." The CEO added there will be no imminent deal in India, where bureaucracy and vested interests are holding up Qatar's plans to enter the market, while declining to comment on his company's long-standing interest in Royal Air Maroc. (Bloomberg)
- **Al Baker: Qatar Airways not affected by rising Middle East tensions** – Qatar Airways' CEO, Akbar al Baker said rising tensions in the Middle East were not affecting the airline,

adding geopolitical strains were nothing it had not seen before. Recent attacks on tankers in Gulf waters have raised fears of a broader confrontation in the region where the US has boosted its military presence over perceived Iranian threats. "We have always been used to such trumped up tensions in our region. Qatar Airways at the moment is not affected and I don't think it will be affected either," Al Baker said. (Qatar Tribune)

- **Qatar's industrial production up by 1% in April** – The monthly Industrial Production index (IPI) of Qatar for April 2019 amounted to 101.6 points, showing an increase of 1% compared to the previous month, and decreased by 1.6%, when compared to the corresponding month last year, data released by the Planning and Statistics Authority showed. The Mining sector index, which contributes 83.6% of total IPI index, for April showed an increase of 1% compared to the previous month, as a result of the increase in the quantities of crude oil and natural gas by 1%, while other mining and quarrying showed an increase by 1.6%. When compared to the corresponding month of the previous year, the IPI of Mining decreased by 2.1%. (Peninsula Qatar)
- **Budget hotels see highest revenue growth of 30%** – Government's efforts aiming to boost Qatar's hospitality industry's performance have yielded positive results. Despite the unjust blockade, which has been ongoing for more than two years, the average revenues of hotels across all categories witnessed solid YoY growth in April 2019, with the budget hotels recording the highest 30%. The average hotel revenue, measured by per available room, increased 5.6% YoY to QR264 in April 2019, official data showed. Bolstered by a significant increase in occupancy rates of hotels, the revenue per available room of hotels improved in April 2019 compared to a year ago, latest available data released by the Planning and Statistics Authority showed. When analyzed by individual categories, data showed that all categories of hotels registered growth in 'hotel revenues per available room' by varying degrees ranging between QR8 and QR27, with 1&2-Star hotel rooms seeing the highest 30%, from QR90 to QR117 increase in revenue per available room. This was closely followed by 3-Star category hotels which saw their hotel room revenue increased 13.6% YoY to QR142 in April. The 4-Star and 5-Star category hotels rooms recoded the same level of revenue increase which increased to QR160 from QR152 (5.26%) and to QR363 from QR355 (2.25%), respectively. (Peninsula Qatar)
- **Draft law on new health insurance system to be unveiled soon** – The draft law on the new health insurance system will soon be presented to the Advisory Council, HE the Minister of Public Health Hanan Mohamed Al-Kuwari said. A committee composed of the Ministry of Public Health, the Ministry of Finance, the Ministry of Commerce and Industry and the State Audit Bureau are examining the tender for the new health insurance, after studying the drawbacks of the previous system, the Minister said. She also revealed that work is being done to make it compulsory for visitors to Qatar have health insurance. This project is being implemented in cooperation with the Ministry of Public Health, the Ministry of Interior and the Ministry of Administrative Development, Labor and Social Affairs. "It will contribute to reducing the pressure on health

services provided by the public sector, particularly the Emergency," she said. (Gulf-Times.com)

- **New projects, services to boost Qatar's health sector** – Minister of Public Health HE Hanan Mohamed Al Kuwari stressed that the health system in the State of Qatar is always focused on providing quality services according to international standards to meet the aspirations of the people of the country, in line with the renaissance of Qatar and its resulting population increase. HE the Minister announced, during an address to the Shura Council on the health sector, a number of projects that will contribute to further development of the health system. The projects include the construction of a number of new specialized hospitals, both in the public or private health sector, in addition to the creation of new services that will further improve the health system, which was ranked fifth globally according to international reports. HE the Minister of Public Health stressed that the health sector enjoys great support from Amir HH Sheikh Tamim bin Hamad Al Thani in order to develop a comprehensive system with high-quality services that improves the health of the Qatari society. HE the Minister also discussed the new services that are set to be provided, in addition to the efforts made to increase capacities in hospitals. (Peninsula Qatar)

#### **International**

- **US home builder confidence retreats despite lower mortgage rates** – A private gauge of US home builder sentiment fell in June, retreating from a six-month high, as rising building costs and trade worries offset falling mortgage rates. The National Association of Home Builders (NAHB) and Wells Fargo stated their index of builder confidence in newly built, single-family homes fell to 64 from 66 in May. Analysts polled by Reuters had forecast the reading to rise to 67. "While demand for single-family homes remains sound, builders continue to report rising development and construction costs, with some additional concerns over trade issues," NAHB's Chairman, Greg Ugalde said. Analysts polled by Reuters forecast home builders likely broke ground at an annualized pace of 1.239mn units in May, compared with a 1.235mn pace in April. The NAHB survey's components broadly weakened in June. The gauge on current single-family home sales dipped to 71 from 72, while the barometer on prospective buyers decreased to 48 from 49. The measure on expectations on home sales over the next six months fell to 70 from 72 in May. (Reuters)
- **US firms say China tariffs will raise costs, see few sourcing alternatives** – A wide range of US companies told a hearing in Washington that they have few alternatives other than China for producing clothing, electronics and other consumer goods as the Trump administration prepares new tariffs on remaining US-China trade. The comments came on the first of seven days of testimony on President Donald Trump's plan to hit another \$300bn worth of Chinese imports with duties of 25%. Sourcing from other countries will raise costs, in many cases more than the 25% tariffs, some witnesses told a panel of officials from the US Trade Representative's office, the Commerce Department, State Department and other federal agencies. Trump and top members of his cabinet have said that the tariffs, if imposed, would accelerate a move of manufacturing out of China. (Reuters)
- **Morgan Stanley: Fed may cut rates near zero if US-China trade worsens** – The Federal Reserve may lower US interest rates to near zero by the spring of 2020 if US-China trade relations deteriorate further and tip the US economy into a recession, according to Morgan Stanley analysts. Such a dire scenario would knock the S&P 500 toward 2,400, nearly 500 points or 17% below its current level, while benchmark 10-year Treasury yields would slip to 1.75% later this year, down 33 basis points from current levels, they wrote in a report 'Beyond the G20'. (Reuters)
- **IHS Markit: UK households' pessimism eases in June** – British households' pessimism about their finances eased this month, as for the first time this year they took a positive view of the outlook for the next 12 months and enjoyed higher earnings, a monthly survey showed. The IHS Markit Household Finance Index rose to 43.8 in June from May's 42.8, remaining below the 50-mark that separates optimism from pessimism, as it has throughout the survey's 10-year history. "The unclear path towards Brexit still lingers in the background, while uncertainty has been brought about by the end of Theresa May's tenure as Prime Minister," IHS Markit's economist Joe Hayes said. However, a forward-looking component of the index rose above the 50-mark for the first time since November 2018, and employment earnings rose at a fairly strong rate. Britain's job market has remained a bright spot for the economy over the past couple of years at a time when uncertainty about leaving the European Union has depressed business investment. (Reuters)
- **BCC: UK firms to cut investment by most in 10 years as Brexit drags on** – British companies look set to cut their investment by the most in 10 years in 2019 as the Brexit crisis drags on, weighing on future economic growth prospects, a survey showed. Business investment - key for productivity and pay growth - was forecast to fall by 1.3% this year before growing by only 0.4% in 2020, the British Chambers of Commerce stated. The BCC nudged up its overall economic growth forecast for 2019 to 1.3%, reflecting a surge in stockpiling by companies before the original Brexit deadline in March. However the employers group cut its forecast for growth in 2020 to 1.0% - down sharply from a previous estimate of 1.3% - before only a marginal pick-up to 1.2% in 2021. (Reuters)
- **EU: China, US pushed trade barriers to record high in 2018** – Protectionism across the globe reached a record high last year due to new barriers designed to restrict trade into China and the US, according to a report by the European Commission published. The Commission's Trade and Investment Barriers Report stated that 23 non-EU countries had put in place 45 new trade barriers in 2018, bringing the total number to a record high of 425 measures in 59 different countries. China and Russia had the most problematic trade measures overall, with 37 and 34 respectively, the report stated. Last year, most barriers were erected in China and Algeria, with five each, followed by the US and India, both on four, with the greatest impact on the IT sector and precious and non-precious metals. (Reuters)
- **Eurozone wages post record YoY rise in first quarter** – Eurozone wages rose in the first quarter of the year at the highest pace ever recorded since data is collected, data from the European

Union's statistics office Eurostat showed. The increase is a positive signal for the European Central Bank's plans to drive inflation up but has so far not translated into higher prices in the 19-country Eurozone. Eurostat stated wages and salaries rose 2.5% in the first three months of the year compared to the same quarter of the previous year, posting the highest increase since 2010, when it started gathering data. Salaries' increased 2.3% in both the previous two quarters. Wages rose more than overall labor costs which in the first quarter increased by 2.4%, Eurostat stated. The non-wage component of labor costs went up by 2.2%, offsetting the increase in wage costs. (Reuters)

- **Bundesbank: German economy to shrink slightly in second quarter** – German economic output will fall slightly in the second quarter, the Bundesbank stated, as one-off effects that underpinned an expansion in the first quarter fade. Europe's biggest economy grew by 0.4% from January to March, propelled by higher household spending and a sprightly construction sector. "The German economy should shrink slightly in the spring. Special effects that contributed to a noticeable rise in gross domestic product in the first quarter are either expiring or being reversed," the central bank stated in its monthly report. The German economy is facing headwinds from trade disputes; uncertainty linked to Britain's planned departure from the European Union and a cooling world economy, which are hurting its export-dependent manufacturing sector. (Reuters)
- **China holdings of US Treasuries in April skid to nearly two-year low** – China's holdings of US Treasury bonds and notes for the month of April fell to the lowest level since May 2017, data from the US Treasury department showed, highlighting an uncertain outlook on a trade deal between Beijing and Washington. Chinese holdings of US government debt declined for a second straight month, to \$1.113tn in April, from \$1.120tn the previous month. Even so, the world's second-largest economy remains the largest non-US holder of Treasuries. Belgium, which analysts surmised is where China would typically keep some of its holdings, also fell to \$179.8bn in April, from \$186.6bn in March. (Reuters)
- **China's home prices growth fastest in five months raises policy challenge** – New home prices in China rose at their fastest pace in five months in May, complicating government efforts to keep frothy housing markets under control as it rolls out more stimuli for the slowing economy. Average new home prices in China's 70 major cities rose 0.7% in May from the previous month, picking up from a 0.6% rise in April and the quickest pace since December, according to Reuters calculations based on National Bureau of Statistics (NBS) data. That marked the 49th straight month of price gains. Sixty-seven of the total 70 cities surveyed by the NBS reported higher prices in May, the same as April. On an annual basis, home prices increased 10.7% in May, unchanged from April's growth rate. (Reuters)

#### **Regional**

- **HSBC: Investment opportunities exist in emerging markets hard currency bonds in GCC** – Investment opportunities exist in emerging markets hard currency bonds in the GCC region and some other places, HSBC stated in its investment outlook for the third quarter of 2019. "While the current investment landscape is more complex than in the years before 2018, there

are still many investment opportunities," HSBC Private Banking stated. "Investors need to be more selective than at the start of this year but we still remain invested as the economic expansion is not yet coming to an end, despite trade tariff concerns, and the Federal Reserve is ready to cut rates if needed," according to Chief Market Strategist at HSBC Global Private Banking, Willem Sels. The resilience of the consumer and structural growth linked to technological innovation, will particularly help sustain the economic cycle. In the third quarter, investors can expect interesting opportunities in the consumer sector, which benefits from rising wages and government incentives in developed markets, and rising wealth and spending in emerging markets. "Structural opportunities arise from technological disruptions in areas such as healthcare and finance. In the near term, once trade-related volatility subsides, tech should again become one of the driving forces of equity market performance," he said. (Gulf-Times.com)

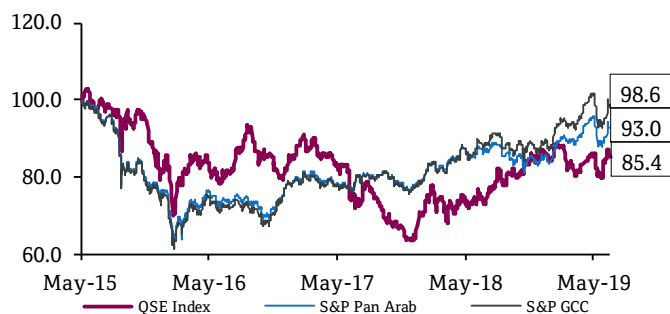
- **Gulf Projects Index edges up to \$3.87tn** – The Gulf Projects Index increased slightly over the past month with the total value of projects planned or under way rising by 0.2% to reach \$3.87tn, according to MEED. The figure is also a 0.4% increase on the \$3.85tn of projects tracked by the index one year ago. While the changes to the index on a regional level are marginal, there are more significant fluctuations for the individual country markets. The best-performing market over the past month is Oman, which expanded by 5.2%. The Sultanate is also the strongest-performing country on a yearly basis with 15.3% growth, meaning that the total value of projects planned or under way in the Sultanate has now reached more than \$202bn. The growth comes despite Oman completing one of its largest projects – the new Muscat International airport in late 2018. In terms of status, there is about \$91bn of projects in Oman at the construction stage and another \$112bn in the pre-execution phase. Providing projects proceed, the market should offer long term opportunities in the future. Bahrain, Kuwait, Saudi Arabia and Iran all registered negative growth for the month. The worst-performing market is Saudi Arabia with a 1.2% drop in value to \$1.38tn. It still far exceeds the second biggest market, the UAE. Saudi Arabia is also the worst performing market on a yearly basis, contracting by 5.7% over the past year. Despite the drop, there are signs the market is starting to turn, with consultants reporting a sharp uptick in the number of projects moving towards construction. (Peninsula Qatar)
- **JODI: Saudi Arabia's crude oil exports rise to 7.177mn bpd in April** – Saudi Arabia's crude oil exports rose 0.5% to 7.177mn bpd in April from 7.141mn bpd in March. Saudi Arabia produced 9.807mn bpd of crude oil in April. Crude oil output rose 0.2% from 9.787mn bpd in March. (Bloomberg)
- **Nayifat Finance intends to list on Saudi Arabian stock exchange (Tadawul)** – Nayifat Finance Company plans to proceed with an Initial Public Offering (IPO) on the main market of the Saudi Arabian Stock Exchange (Tadawul), according to a statement. The offering will comprise 36.5mn ordinary new shares, representing 30% of the total share capital. The Capital Market Authority in March approved the application for the offering. Net proceeds from the IPO will be used to grow the financing portfolio and add credit cards to its product range. The current shareholders will not receive any

proceeds from the offering. National Commercial Bank (NCB) Capital will be managing the book building process. The company has not provided the price range; the institutional book-building process will start on June 24. Nayifat Finance is a non-bank financial institution operating in Saudi Arabia. (Bloomberg)

- **Dubai's May whole economy PMI at 58.5 as compared to 57.9 in April** – In a release by Emirates NBD and IHS Markit for Dubai's whole economy, the Purchasing Managers' Index (PMI) rose to 58.5 in May 2019 from 57.9 in April 2019 and 57.6 in May 2018. This is the highest reading since January 2015. The output rose to 68.3 in May 2019 as compared to 64.6 in April 2019. (Bloomberg)
- **Abu Dhabi's Sanad Aerotech seals \$6.5bn Rolls-Royce engine repair contract** – A wholly-owned unit of Abu Dhabi state fund Mubadala, Sanad Aerotech sealed a \$6.5bn deal with Rolls-Royce for Trent 700 engine maintenance, tripling the number of those engines it services annually. Sanad Aerotech, previously Mubadala Aerospace Turbine Services & Solutions (TS&S), will provide overhaul services for Trent 700 engines until 2027 under the deal. It will also become a Rolls-Royce Trent 700 Authorized Maintenance Center. "It really is a significant testament to how business has evolved over the last 30 years. Sanad today is a not a regional MRO (maintenance, repair and overhaul) supplier but a global one," Sanad Chief Executive, Mansoor Janahi told Reuters. "We are looking at focusing more on investing in new technologies that will support our growth story." Sanad will now annually service 75 Trent 700 engines, which are used to power Airbus A330 jets, up from the 22 it currently services a year. It has provided MRO services to Trent 700 engines under a previous agreement. (Reuters)
- **ADNOC and OCI to combine Middle East assets with \$1.74bn in annual sales** – Abu Dhabi National Oil Company and Dutch chemical producer OCI NV have planned to combine their Middle Eastern fertilizer businesses to become the region's top producer with \$1.74bn in annual sales and operations spanning Algeria to the UAE. The joint venture is expected to generate as much as \$75mn in savings as OCI's ammonia and urea assets in North Africa pair with ADNOC's own fertilizer complex in Ruwais, UAE. The new entity will be 58% owned by OCI, and headed by the Dutch company's Chief Executive, Nassef Sawiris. A global ramp up in fertilizer production flooded the market with too much supply for the farming industry to absorb, prompting players to explore consolidation in the search for improved economies of scale and global reach. (Bloomberg)
- **Aabar Investments to sell remaining RHB Bank stake, Star says** – Abu Dhabi fund Aabar Investments is seeking to sell its remaining 9.99% stake in Malaysia's RHB Bank Berhad. for as much as MYR2.22bn, according to a report in the Star. CIMB Investment Bank will arrange the sale of the 400.52mn shares via a book building exercise, and the offering will be priced at MYR5.43 – MYR5.54 a share. The deal prices RHB Bank at as much as 0.9 times its book value. (Bloomberg)
- **JODI: Kuwait's crude oil exports rise to 2.09mn bpd in April** – Kuwait's crude oil exports rose 2.8% to 2.09mn bpd in April from 2.034mn bpd in March. Kuwait produced 2.69mn bpd of crude oil in April. Crude oil output fell 0.8% from 2.713mn bpd in March. (Bloomberg)

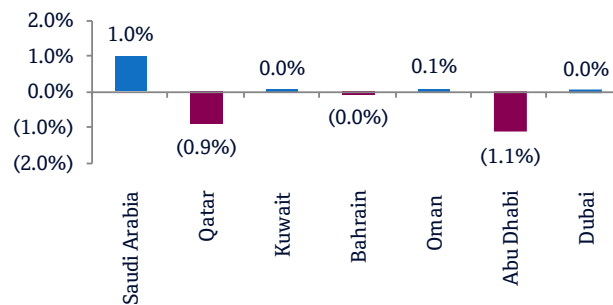
- **Oman's April bank credit to private sector rose to OMR18.93bn** – Central Bank of Oman published data on bank assets which showed that the bank credit to private sector rose to OMR18.93bn in April from OMR18.92bn in March. Bank credit to public enterprises rose to OMR2.52bn in April from OMR2.44bn in March. Total bank assets rose to OMR30.2bn in April from OMR30.1bn in March. In terms of monetary aggregates, M1 money supply fell 4.5% YoY and 1.5% MoM and the M2 money aggregate rose 5.2% YoY. Quasi money grew 9.8% YoY and 0.4% MoM. Demand deposits in OMR fell 6.3% YoY and 2.3% MoM. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,339.64	(0.2)	(0.2)	4.5
Silver/Ounce	14.84	(0.1)	(0.1)	(4.2)
Crude Oil (Brent)/Barrel (FM Future)	60.94	(1.7)	(1.7)	13.3
Crude Oil (WTI)/Barrel (FM Future)	51.93	(1.1)	(1.1)	14.4
Natural Gas (Henry Hub)/MMBtu	2.46	3.8	3.8	(22.8)
LPG Propane (Arab Gulf)/Ton	41.88	(4.6)	(4.6)	(34.6)
LPG Butane (Arab Gulf)/Ton	38.75	(2.8)	(2.8)	(44.2)
Euro	1.12	0.1	0.1	(2.2)
Yen	108.54	(0.0)	(0.0)	(1.0)
GBP	1.25	(0.4)	(0.4)	(1.7)
CHF	1.00	(0.0)	(0.0)	(1.7)
AUD	0.69	(0.3)	(0.3)	(2.8)
USD Index	97.56	(0.0)	(0.0)	1.4
RUB	64.32	(0.1)	(0.1)	(7.7)
BRL	0.26	0.2	0.2	(0.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,130.86	(0.0)	(0.0)	13.1
DJ Industrial	26,112.53	0.1	0.1	11.9
S&P 500	2,889.67	0.1	0.1	15.3
NASDAQ 100	7,845.02	0.6	0.6	18.2
STOXX 600	378.46	0.1	0.1	9.9
DAX	12,085.82	0.1	0.1	12.3
FTSE 100	7,357.31	(0.1)	(0.1)	7.7
CAC 40	5,390.95	0.6	0.6	11.7
Nikkei	21,124.00	0.0	0.0	7.3
MSCI EM	1,010.97	(0.4)	(0.4)	4.7
SHANGHAI SE Composite	2,887.62	0.2	0.2	15.0
HANG SENG	27,227.16	0.3	0.3	5.3
BSE SENSEX	38,960.79	(1.3)	(1.3)	7.8
Bovespa	97,623.25	(0.2)	(0.2)	10.5
RTS	1,340.90	(0.0)	(0.0)	25.5

Source: Bloomberg (\*\$ adjusted returns)

## Contacts

### Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

[saugata.sarkar@qnbfs.com.qa](mailto:saugata.sarkar@qnbfs.com.qa)

### Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

[mehmet.aksoy@qnbfs.com.qa](mailto:mehmet.aksoy@qnbfs.com.qa)

### Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

[shahan.keushgerian@qnbfs.com.qa](mailto: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](mailto:zaid.alnafoosi@qnbfs.com.qa)

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