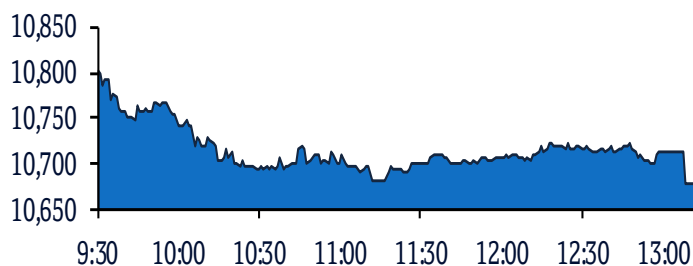


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.9% to close at 10,679.3. Losses were led by the Insurance and Real Estate indices, falling 1.8% and 1.0%, respectively. Top losers were Qatar Insurance Company and Doha Bank, falling 3.2% and 2.8%, respectively. Among the top gainers, Qatar General Ins. & Reins. Co. and Qatar National Cement Company were up 1.1% each.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.2% to close at 10,897.9. Gains were led by the Media and Entertainment and Health Care Equipment & Svc indices, rising 3.6% and 0.7%, respectively. Emaar Economic City rose 6.5%, while Saudi Industrial Export Co. was up 5.5%.

Dubai: The DFM Index fell 0.6% to close at 2,758.8. The Real Estate & Construction index declined 1.4%, while the Banks index fell 0.6%. Amlak Finance declined 3.4% while Damac Properties Dubai Co. were down 2.4%.

Abu Dhabi: The ADX General Index gained 0.9% to close at 7,169.0. The Industrial index rose 4.1%, while the Investment & Financial Services index gained 2.2%. Abu Dhabi Ship Building rose 15.0%, while Ras Al Khaimah Cement Co. was up 14.9%.

Kuwait: The Kuwait All Share Index gained 1.0% to close at 6,524.8. The Banks index rose 1.5%, while the Financial Services index gained 0.6%. Yiacco Medical Co. rose 9.9%, while Aayan Leasing & Investment was up 5.9%.

Oman: The MSM 30 Index fell 1.1% to close at 4,005.9. Losses were led by the Industrial and Financial indices, falling 1.2% and 1.1%, respectively. National Aluminum Products Co. declined 9.6%, while Global Financial Investments was down 4.3%.

Bahrain: The BHB Index gained 0.7% to close at 1,596.6. The Consumer Staples index rose 1.5%, while the Financials index gained 0.9%. Bahrain Kuwait Insurance rose 7.3%, while Ahli United Bank was up 2.0%.

Market Indicators	26 Jul 21	25 Jul 21	%Chg.
Value Traded (QR mn)	345.2	188.3	83.3
Exch. Market Cap. (QR mn)	619,386.9	623,626.4	(0.7)
Volume (mn)	112.6	64.6	74.4
Number of Transactions	9,832	5,911	66.3
Companies Traded	47	48	(2.1)
Market Breadth	10:32	31:16	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,140.22	(0.9)	(0.2)	5.4	17.3
All Share Index	3,391.89	(0.8)	(0.0)	6.0	18.0
Banks	4,483.17	(0.8)	0.2	5.5	15.1
Industrials	3,559.35	(0.9)	(0.3)	14.9	27.0
Transportation	3,384.39	(0.1)	(0.2)	2.6	18.9
Real Estate	1,773.70	(1.0)	(0.7)	(8.0)	16.8
Insurance	2,579.63	(1.8)	(1.2)	7.7	22.9
Telecoms	1,066.09	(0.4)	(0.1)	5.5	27.2
Consumer	8,079.56	(0.2)	(0.0)	(0.8)	23.9
Al Rayan Islamic Index	4,508.56	(0.7)	(0.2)	5.6	18.7

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emaar Economic City	Saudi Arabia	13.44	6.5	26,904.6	45.9
Boubyan Bank	Kuwait	0.77	2.8	2,009.8	41.8
Saudi Arabian Fertilizer	Saudi Arabia	125.00	2.6	366.5	55.1
National Bank of Kuwait	Kuwait	0.89	2.5	10,666.5	11.1
Sahara Int. Petrochemical	Saudi Arabia	33.90	2.1	3,904.0	95.7

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Oman Arab Bank	Oman	0.19	(3.6)	5.2	(2.6)
The Commercial Bank	Qatar	5.31	(2.5)	2,126.6	20.7
Qatar Electricity & Water	Qatar	16.80	(2.4)	301.1	(5.9)
Bank Sohar	Oman	0.09	(2.1)	680.0	2.2
Ooredoo	Oman	0.39	(2.0)	494.9	(0.5)

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	2.10	1.1	116.0	(21.1)
Qatar National Cement Company	5.00	1.1	62.9	20.5
Mesaieed Petrochemical Holding	1.90	1.0	4,943.1	(7.3)
Qatar First Bank	1.81	0.6	2,113.1	5.4
Al Khaleej Takaful Insurance Co.	4.63	0.5	174.9	144.2

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.91	(0.7)	17,206.3	40.4
Gulf International Services	1.45	(1.1)	10,863.2	(15.4)
Qatar Aluminum Manufacturing Co	1.50	(0.7)	10,266.7	55.4
Qatar Insurance Company	2.40	(3.2)	7,957.2	1.6
Mazaya Qatar Real Estate Dev.	1.08	(0.5)	6,254.3	(14.6)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Insurance Company	2.40	(3.2)	7,957.2	1.6
Doha Bank	2.72	(2.8)	4,540.2	14.7
The Commercial Bank	5.31	(2.5)	2,126.6	20.7
Qatar Electricity & Water Co.	16.80	(2.4)	301.1	(5.9)
Qatar Islamic Bank	16.90	(1.7)	2,880.5	(1.2)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.00	0.0	62,091.7	1.0
Qatar Islamic Bank	16.90	(1.7)	48,771.8	(1.2)
Masraf Al Rayan	4.43	(0.4)	26,063.7	(2.3)
Qatar Insurance Company	2.40	(3.2)	18,831.4	1.6
Qatar Gas Transport Company	3.03	(0.2)	17,394.9	(4.8)

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,679.25	(0.9)	(0.2)	(0.5)	2.3	93.34	166,986.7	17.3	1.6	2.7
Dubai	2,758.82	(0.6)	0.5	(1.8)	10.7	30.30	104,152.7	21.0	1.0	2.9
Abu Dhabi	7,169.03	0.9	1.5	4.9	42.1	365.84	271,068.7	24.2	2.0	3.4
Saudi Arabia	10,897.87	0.2	1.0	(0.8)	25.4	1,895.43	2,568,581.9	35.6	2.4	2.2
Kuwait	6,524.78	1.0	2.0	2.2	17.6	238.30	122,711.2	38.6	1.7	1.8
Oman	4,005.91	(1.1)	(1.7)	(1.4)	9.5	8.50	18,483.5	12.3	0.8	3.9
Bahrain	1,596.55	0.7	1.1	0.5	7.2	5.04	119,993.8	13.3	0.8	3.5

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded (\$ mn) do not include special trades, if any)

Qatar Market Commentary

- The QE Index declined 0.9% to close at 10,679.3. The Insurance and Real Estate indices led the losses. The index fell on the back of selling pressure from Qatari and Arab shareholders despite buying support from GCC and foreign shareholders.
- Qatar Insurance Company and Doha Bank were the top losers, falling 3.2% and 2.8%, respectively. Among the top gainers, Qatar General Ins. & Reins. Co. and Qatar National Cement Company were up 1.1% each.
- Volume of shares traded on Monday rose by 74.4% to 112.6mn from 64.6mn on Sunday. However, as compared to the 30-day moving average of 132.6mn, volume for the day was 15.1% lower. Salam International Inv. Ltd. and Gulf International Services were the most active stocks, contributing 15.3% and 9.6% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	36.93%	46.56%	(33,239,334.9)
Qatari Institutions	15.79%	14.04%	6,042,737.6
Qatari	52.72%	60.60%	(27,196,597.3)
GCC Individuals	0.40%	0.17%	793,771.7
GCC Institutions	9.15%	2.56%	22,735,747.2
GCC	9.55%	2.73%	23,529,518.9
Arab Individuals	7.94%	8.54%	(2,092,132.7)
Arab Institutions	0.00%	0.00%	–
Arab	7.94%	8.54%	(2,092,132.7)
Foreigners Individuals	2.76%	2.81%	(181,354.7)
Foreigners Institutions	27.04%	25.32%	5,940,565.8
Foreigners	29.80%	28.13%	5,759,211.1

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

Ratings, Earnings Releases, Global Economic Data and Earnings Calendar

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Gulf Bank	S&P	Kuwait	LT-LIC/ LT-FIC	A-/A-	BBB+/BBB+	↓	Stable	–

Source: News reports, Bloomberg (* LT – Long Term, LIC – Local Issuer Credit, FIC – Foreign Issuer Credit)

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2021	% Change YoY	Operating Profit (mn) 2Q2021	% Change YoY	Net Profit (mn) 2Q2021	% Change YoY
Saudi Kayan Petrochemical Co.	Saudi Arabia	SR	2,973.7	93.5%	894.9	N/A	781.0	N/A
Emirate Integrated Telecommunications Company	Dubai	AED	2,854.8	7.0%	–	–	239.8	11.4%

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/26	Japan	Markit	Jibun Bank Japan PMI Mfg	Jul	52.2	–	52.4
07/26	Japan	Markit	Jibun Bank Japan PMI Services	Jul	46.4	–	48.0
07/26	Japan	Markit	Jibun Bank Japan PMI Composite	Jul	47.7	–	48.9

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 2Q2021 results	No. of days remaining	Status
CBQK	The Commercial Bank	27-Jul-21	0	Due
BRES	Barwa Real Estate Company	27-Jul-21	0	Due
GWCS	Gulf Warehousing Company	27-Jul-21	0	Due
DHBK	Doha Bank	27-Jul-21	0	Due
UDCD	United Development Company	28-Jul-21	1	Due
QNCD	Qatar National Cement Company	28-Jul-21	1	Due
ORDS	Ooredoo	28-Jul-21	1	Due
QIMD	Qatar Industrial Manufacturing Company	28-Jul-21	1	Due
QCFS	Qatar Cinema & Film Distribution Company	01-Aug-21	5	Due
QIGD	Qatari Investors Group	01-Aug-21	5	Due
QLMI	QLM Life & Medical Insurance Company	02-Aug-21	6	Due
SIIS	Salam International Investment Limited	04-Aug-21	8	Due
AKHI	Al Khaleej Takaful Insurance Company	04-Aug-21	8	Due
DOHI	Doha Insurance Group	04-Aug-21	8	Due
QAMC	Qatar Aluminum Manufacturing Company	05-Aug-21	9	Due
GISS	Gulf International Services	05-Aug-21	9	Due
MPHC	Mesaieed Petrochemical Holding Company	05-Aug-21	9	Due
IQCD	Industries Qatar	05-Aug-21	9	Due
QATI	Qatar Insurance Company	08-Aug-21	12	Due
IHGS	INMA Holding Group	08-Aug-21	12	Due
DBIS	Dlala Brokerage & Investment Holding Company	09-Aug-21	13	Due
QISI	Qatar Islamic Insurance Group	09-Aug-21	13	Due
IGRD	Investment Holding Group	10-Aug-21	14	Due
MCCS	Mannai Corporation	11-Aug-21	15	Due
BLDN	Baladna	11-Aug-21	15	Due
QOIS	Qatar Oman Investment Company	11-Aug-21	15	Due
MERS	Al Meera Consumer Goods Company	11-Aug-21	15	Due

Source: QSE

News

Qatar

- QIHK posts 7.2% YoY increase but 6.2% QoQ decline in net profit in 2Q2021, in-line with our estimate** – Qatar International Islamic Bank's (QIHK) net profit rose 7.2% YoY (but declined 6.2% on QoQ basis) to QR263.2mn in 2Q2021, in-line with our estimate of QR264.2mn (variation of -0.4%). Total income from financing & investing activities, net increased 13.7% YoY and 5.0% QoQ in 2Q2021 to QR583.0mn. The company's Total Income came in at QR653.5mn in 2Q2021, which represents an increase of 17.7% YoY (+7.0% QoQ). The bank's total assets stood at QR62.5bn at the end of June 30, 2021, up 5.3% YoY (+0.3% QoQ). Financing Assets were QR40.6bn, registering a rise of 16.0% YoY at the end of June 30, 2021. However, on QoQ basis Financing Assets decreased 3.3%. Customers' current accounts rose 4.2% YoY to reach QR7.8bn at the end of June 30, 2021. However, on QoQ basis Customers' current accounts fell 4.9%. EPS amounted to QR0.17 in 2Q2021 as compared to QR0.16 in 2Q2020. QIHK chief executive officer Dr Abdulbasit Ahmed Al-Shaibei, elaborated on the bank's 1H financial results and said, "The bank's total revenues reached QR1,264mn during the first half representing a growth rate of 4.3% compared to the same period of the previous year. QIHK's total assets increased to QR62.5bn compared to QR59.3bn at the end of the first half of 2020, with a growth rate of 5.3%. The bank's financing assets reached QR40.6bn in 1H and represent a growth rate of 16%, while the customers' deposits increased by 11.6% to reach QR38.8bn." QIHK was able to significantly enhance its operating efficiency during 1H2021, contributing to a further reduction of its (cost-to-income) ratio to be 18.3% compared to 21.4% at the

end of the corresponding period last year. It also confirms the success of QIHK's plans to face the challenges faced by the banking sector during the last period. Al-Shaibei spoke about the quality of the bank's financing assets portfolio, affirming its continuous improvement by reducing the NPL ratio from 2% at the end of 1H, 2020 to reach 1.6% in 1H, 2021. "The total equity at the end of the 1H2021 amounted to QR8.3bn, while the bank's capital adequacy ratio under Basel III in 1H stood at 17.3%, which is higher than the regulatory requirements, thus confirming the bank's high solvency". QIHK CEO stressed, "The bank's results in the 1H2021 are the outcomes of the plans and goals that have been accomplished as part of the bank's short and long-term strategy by facing emerging challenges and various market factors, which we were able, praise be to God, to adapt to and achieve the targeted growth figures". He noted, "There are many factors that contributed to QIHK growth, and at the forefront comes Qatari economy and the opportunities it provides for the banking sector, where we built our plans for a long time now around the local market, and the circumstances and experiences proved that our decision was sound and had outstanding results." (QNB FS Research, QSE, Gulf-Times.com)

- Al Rayan Qatar ETF discloses its condensed financial statements** – Al Rayan Qatar ETF disclosed its condensed financial statement for the six-month period ended June 30, 2021. The statements show that the net asset value as of June 30, 2021 amounted to QR534,825,601 representing QR2.4410 per unit. (QSE)
- QINVEST's board of directors appoints new Co-CEOs** – QINVEST, the subsidiary investment bank of Qatar Islamic Bank

(QIBK), announced that its board of directors has appointed Hussain Abdulla and Hussein Fakhreddine as new Co-CEOs of the bank. Tamim Al Kuwari has resigned as the Bank's Chief Executive Officer, but will remain in the position for a short period of time to support the transition. He will also continue serving as a Board Member at QInvest, to further support the bank's strategy and future growth plans. Michael Katounas has also resigned as the bank's Deputy CEO with immediate effect., Chairman of QInvest, H.E. Sheikh Jassim Bin Hamad Bin Jassim Al-Thani stated: "We would like to thank Tamim for his service as CEO. During his tenure, QINVEST witnessed remarkable achievements amidst difficult global financial environment". He added: "We wish the new Co-CEOs all the best in the next phase of their respective careers." Abdulla and Fakhreddine have more than 22 years of combined experience at QINVEST and more than 30 years of professional experience in the financial services industry. They both bring extensive banking expertise, an expansive local and international network, and deep regional and international knowledge. The Co-CEOs will continue working on strategic transactions across QINVEST's key markets in the Middle East, Turkey, and selected countries around the world, delivering value to the bank's shareholders and clients. Abdulla holds a B.A. in Banking and Financial Studies from University of Qatar, and Fakhreddine received his Master of Science in Finance from the George Washington University in Washington D.C. and the American University of Beirut in Lebanon. (QSE)

- ORDS launches own esports brand in association with Quest** – Ooredoo (ORDS) has stepped up its reputation as a key innovator in digital transformation with yesterday's launch of the 'Ooredoo Nation - Gamers' Land' and the signing of a major agreement with Quest to enable the telecommunications company to establish a significant presence throughout the rapidly emerging esports domain. Ooredoo signed an agreement with Quest, the first and largest Qatari-registered company specializing in the business of esports. Its core business lines include the management of online and on-ground tournaments, professional team ownership and management, and production and content creation. Quest has been operating in the region for the past six years. Through the collaboration, Ooredoo has launched its own e-sports brand – 'Ooredoo Nation - Gamers' Land'. The brand is a fraternity that transcends geographical boundaries: a community of gamers that grows faster by the minute, inventing, innovating, creating, evolving, and raising the game. Ooredoo Nation dares gamers to find one sport it does not play, the company stated. Ooredoo will be launching a series of products, services, and initiatives specifically geared towards the gaming audience. Plans include a series of esports tournaments, through which Ooredoo will identify the best talent in the country and the Mena to form an Ooredoo e-sports team, which will represent Ooredoo in regional and global esports events. Ooredoo will then host several global tournaments that will see participation from many international teams along with the Ooredoo esports team. (Gulf-Times.com)
- Qatar's commercial banks post 12% jump in assets to QR1.77tn in June** – A robust credit offtake, especially in the public sector, and expansion in the securities portfolio, notably in debt, helped Qatar's commercial banks' total assets grow about 12% YoY in June 2021, according to the central bank data. The Qatar Central Bank (QCB) data also highlighted that the government debt and sukuk were in the decline, while in the case of banks, there were decline in debt, but jump in sukuk in June 2021. Both domestic and foreign assets of the commercial banks were on the increase as the total assets reached QR1.77tn this June, indicating the sector's support to the

country's economy in the review period. The monthly Purchasing Managers' Index (PMI) of the Qatar Financial Centre suggests strong quarterly expansion, indicating the recovery of the non-energy economy. The domestic assets were seen expanding 12.72% to QR1.54tn, or 87% of the total; and overseas assets by 4.09% to QR230.27bn, or 13% of the total in the review period. The commercial banks' total credit soared 12.8% YoY to QR1.2tn with domestic credit expanding 13.8% to QR1.13tn; whereas overseas credit was down 1.27% to QR70.56bn in June this year. The commercial banks' total credit to public sector saw a huge 27.22% YoY growth to QR417.47bn and those to the private sector by 6.56% to QR773.08bn, while those to non-banking financial institutions shrank 2.48% to QR13.75bn in June this year. The total securities portfolio, which is the second largest component of the commercial banks' assets side, witnessed a 13.01% YoY jump to QR224.32bn in June 2021. The domestic securities portfolio surged 14.21% to QR205.95bn and overseas securities portfolio by 1.05% to QR18.37bn in the review period. In the securities portfolio, debt (conventional) amounted to QR146.65bn, which grew 23.34% YoY; and sukuk QR72.58bn, which was however down 6.58% YoY in June 2021. The domestic debt shot up 26.69% on a yearly basis to QR134.7bn, while the overseas debt shrank 4.93% to QR11.96bn in June this year. The government's total debt fell 8.99% YoY to QR94.77bn, with domestic debt declining 8.69% to QR87.98bn and foreign debt by 12.72% to QR6.79bn in the review period. The banks' total debt shrank 9.1% YoY to QR8.69bn in June 2021, with the domestic component witnessing a 20.03% fall to QR5.11bn but overseas debt shot up 12.58% to QR3.58bn. Total sukuk shrank 3.64% YoY to QR72.58bn in June 2021. The domestic sukuk fell 4.39% to QR69.04bn; whereas overseas sukuk grew 13.87% to QR3.53bn in the review period. The government's total sukuk issuance was down 4.11% to QR67.44bn, with domestic issuance declining 4.43% to QR65.2bn; while overseas issuance expanded 6.16% to QR2.24bn in June this year. The banks' sukuk issuance grew 5.21% to QR5.24bn with the domestic and foreign issuance gaining 1.79% and 31.91% to QR3.42bn and QR0.62bn respectively during the review period. The commercial banks' total claims on banks grew 16.34% YoY to QR158.27 this June, with domestic claims surging 22.96% to QR59.87bn and overseas by 12.65% to QR98.4bn. (Gulf-Times.com)

- Minister: Qatar seeks to build a sustainable, competitive food system** – HE the Minister of Municipality and Environment and Acting Minister of State for Cabinet Affairs Dr Abdullah bin Abdulaziz bin Turki Al-Subaie has underlined that Qatar seeks to build a high-performance food system in the most sustainable way, and enhance and improve the economy to become diversified and competitive and improves living standards, while achieving compatibility and harmony between economic, social and environmental development, in line with Qatar National Vision 2030. (Gulf-Times.com)
- PwC: Qatar's low-carbon LNG expansion to meet world's growing demand for cleaner energy** – Qatar's low-carbon LNG expansion will meet world's growing demand for cleaner energy, PwC has said in its 'Qatar Economy Watch' report. Qatar's gas production process is among the lowest carbon-intensity globally and will further decline as a result of Qatar Petroleum (QP) sustainability strategy, announced in January that includes cutting methane leaks, using solar power for operations and boosting carbon capture and storage, PwC noted. As part of these efforts, Qatar was one of the five founding members in April 2021 of the Net Zero Producers' Forum, alongside the US and Saudi Arabia. This commitment to reducing the intensity of production will further add to Qatar's

competitive edge against other LNG producers. In a world-first in September 2020, QP signed a LNG contract with Singapore that includes wellhead-to-delivery reporting of greenhouse emissions. This was a first step towards a future in which carbon taxes or other mechanisms could advantage lower-intensity producers like Qatar. PwC said, "The combination of an improving demand outlook for LNG with delays to new supply because of the weakened balance sheets of private hydrocarbon companies, makes it an ideal moment for Qatar to press ahead with expansion. In February 2021, QP awarded the main contract to build the four new LNG terminals for the North Field East expansion. The new supply will come onstream in stages during 2025-2027 and QP intends to soon commission another two trains. "QP may be considering further expansion in the future, which makes sense given that North Field's reserves are sufficient for around three centuries of production at current levels, whereas the global economy is expected to have fully decarbonized by the end of this century." (Gulf-Times.com)

International

- **US new home sales hit 14-month low amid supply constraints** – Sales of new US single-family homes tumbled to a 14-month low in June and sales in the prior month were weaker than initially estimated, the latest signs that expensive lumber and shortages of other building materials were hurting the housing market. The third straight monthly decline in sales reported by the Commerce Department on Monday followed news last week that permits for future homebuilding dropped to a nine-month low in June while home resales rebounded modestly. Higher production costs are forcing builders to scale back, keeping supply tight and boosting home prices to the detriment of first-time buyers. New home sales fell 6.6% to a seasonally adjusted annual rate of 676,000 units last month, the lowest level since April 2020, the Commerce Department said on Monday. May's sales pace was revised down to 724,000 units from the previously reported 769,000 units. Economists polled by Reuters had forecast new home sales, which account for a small share of US home sales, increasing 3% to rate of 800,000 units in June. New home sales are drawn from a sample of houses selected from building permits and tend to be volatile on a month-to-month basis. Sales plunged 19.4% on a YoY basis in June, the first annual decrease since the COVID-19 pandemic. (Reuters)
- **Vlieghe: BoE should not scale back stimulus for several quarters** – Bank of England (BoE) interest-rate setter Gertjan Vlieghe said the central bank should not scale back its stimulus possibly until well into 2022 because a recent rise in inflation is likely to be temporary and COVID-19 remains a threat for the economy. Vlieghe also said he would want to see the impact on the economy from the government's withdrawal of its huge pandemic support program over the coming months, including its wage subsidy furlough scheme. Two BoE officials - Deputy Governor Dave Ramsden and Michael Saunders - said this month the time for tighter policy might be nearing, raising the prospect of the BoE curtailing its bond-buying program sooner than planned. Britain's economy suffered its worst contraction since the early 18th century in 2020, but has recovered most of its 10% hit thanks to one of the world's fastest COVID-19 vaccination programs. Inflation has jumped past the BoE's 2% target. But another Monetary Policy Committee member, Jonathan Haskel, said last week that scaling back support for the economy was not the right option for the foreseeable future and Catherine Mann - who joins the BoE as a policymaker on September 1 - warned against curbing stimulus too soon. (Reuters)
- **German business morale down on supply shortages, virus fears** – German business morale fell unexpectedly in July on

continuing supply chain worries and amid rising coronavirus infections, a survey showed on Monday, the first decline since January. The Ifo institute said its business climate index fell to 100.8 from a revised figure of 101.7 in June and versus a Reuters poll forecast of 102.1. Companies gave a slightly better assessment of their current situation but optimism with regard to the coming months waned. The Ifo expectations index fell to 101.2 from 103.7 in June, while the current conditions index rose to 100.4 from 99.7. Almost 64% of industrial firms in Europe's biggest economy complained about bottlenecks in supply chains, while 60% of wholesalers and 42.5% of retailers also reported shortages, according to the institute. Events including the COVID-19 pandemic, natural disasters in China and Germany and cyber-attacks have conspired to drive global supply chains towards a breaking point, threatening the flow of raw materials, parts and consumer goods. Supply chain disruptions are likely to persist and economic recovery will continue to depend on the pandemic, Krueger added. Germany's car industry - featuring powerful brands like Volkswagen, Daimler and BMW and accounting for an estimated 5% of the economic output and more than 800,000 jobs - this month slashed its forecast for 2021 production growth in response to the insecurities. The flooding in western Germany two weeks ago is likely to add to the problems, and road transportation of goods has slowed significantly. In the week of July 11, as the disaster unfolded, the volume of late shipments rose by 15% from the week before, according to data from supply-chain tracking platform FourKites. In Germany's tourism and hospitality sectors, among the worst hit by lockdowns, euphoria has also ebbed, with many fearing a fourth wave of the coronavirus, Ifo economist Klaus Wohlrabe said. (Reuters)

- **Japan's service prices rise for 4th straight month as demand rebounds** – Japan saw the prices companies charge each other for services rise for the fourth straight month in June, data showed on Tuesday, a sign the economy is gradually emerging from the hit from the coronavirus pandemic. The services producer price index rose 1.4% in June from a year earlier after a 1.5% gain in May, reflecting a rebound in advertising fees and rent from last year's slump caused by the pandemic, Bank of Japan data showed. The increase was also driven by a 1.3% rise in transportation fees as international freight prices continued to increase, highlighting the cost pressure companies are facing as economies across the globe re-open. "Corporate services prices continue to recover gradually as a trend," Shigeru Shimizu, head of the BOJ's price statistics division, told a briefing. While there will likely be some advertisement demand related to the Tokyo Olympic and Paralympic Games in coming months, it could be modest compared with past Games, he said. Global economic growth prospects are holding strong for this year and next, despite a significant majority of economists in Reuters polls warning new variants of the coronavirus pose the biggest risk to the outlook. Robust exports have helped Japan's economy emerge from last year's doldrums, though fresh state of emergency curbs have weighed on consumption and dashed policymakers' hope of a sharp rebound in July-September growth. Rising commodity prices are also pinching margins for firms, many of which remain cautious of passing on the higher cost to customers due to weak household spending. Japan's wholesale prices rose 5.0% in June from a year earlier. But core consumer prices climbed just 0.2% in June, remaining distant from the BOJ's 2% target. (Reuters)
- **Brazil construction industry sees faster recovery, leads job creation** – Brazil's construction industry has revised its growth forecast with a faster recovery outlook for this year despite the coronavirus pandemic that will keep activity well below capacity,

its lobby CBIC said on Monday. Civil construction growth this year is forecast at 4%, up from the previous estimate of 2.5% in April, the CBIC, thanks to continued low interest rates and consistent demand. June growth was above the historical average for the month, the lobby said, although it added that the industry was operating at only 64% of its capacity and the high cost and shortage of construction material was the main problem facing the sector. With Brazil facing record unemployment levels due to the pandemic, the construction industry is creating more jobs than other sectors, according to the CAGED register of hirings and dismissals. From January through May, the construction industry hired 156,693 workers, a 7% increase over the same period last year. The Economy Ministry said on July 14 that Brazil's overall GDP is expected to grow 5.3% in 2021, significantly higher than a previous forecast of 3.5%, as the country continues to recover from the pandemic. The economy contracted 4.1% in 2020. (Reuters)

- **Central bank survey Brazil interest rates to hit 7.00% this year –** Expectations for 2021 Brazilian inflation and interest rates rose to new highs, a survey of economists showed on Monday, with the central bank's benchmark Selic rate expected to hit 7.00% by the end of the year. The median 2021 Selic forecast in the central bank's weekly 'FOCUS' survey of over 100 economists rose from 6.75% the week before, as policymakers are seen tightening more aggressively to prevent 2022 inflation expectations running away. That was the third consecutive increase, indicating a growing belief that the central bank will raise the benchmark further beyond the so-called 'neutral' rate, widely considered to be around 6.00%-6.50% earlier than previously thought. Next year's median Selic forecast held steady at 7.00%, the survey showed. The central bank has raised borrowing costs to 4.25% this year, and is expected to raise it by at least another 75 basis points on August 4. The FOCUS survey also showed that the median 2021 inflation forecast rose for a 16th week to 6.6% from 6.3%, significantly above the bank's year-end goal of 3.75% and more than a percentage point above the 5.25% upper limit of its wider range. Next year's inflation outlook inched up to 3.8% from 3.75%, the survey showed, creeping further above the central bank's goal of 3.50%. The FOCUS survey showed that this year's growth outlook held steady at 5.3%. (Reuters)

Regional

- **Saudi Arabia, UAE spearhead \$15.8bn GCC projects market growth in 2Q2021 –** The GCC construction market has recorded \$15.8bn worth of new project announcements in the second quarter, being spearheaded by Saudi Arabia with half of the contribution, followed by the UAE with a one-third share, according to a report by BNC intelligence. The GCC construction market is estimated at \$1.8tn, with over 21,000 active projects as of Q2, as per the 28th edition of the BNC Projects Journal, titled, 'The Construction Triathlon'. Saudi Arabia continues to lead the construction pace in the April to June period with \$8.5bn worth of project announcements and \$7.6bn worth of project awards, it stated. (Zawya)
- **Saudi Wealth Fund's head of global private equity set to leave –** The head of international private equity at Saudi Arabia's sovereign wealth fund is set to leave the state-controlled investor, according to people familiar with the matter. Kevin O'Donnell has resigned from the Public Investment Fund, the people said, asking not to be identified as the information is private. The fund hasn't yet named a replacement, they said. O'Donnell joined the PIF in 2016 as one of the fund's first international hires after the government unveiled a strategy to boost its assets to \$2 trillion and transform it into a global investor. The fund has since grown from about 40 employees to more than 1,100 and its assets have risen to

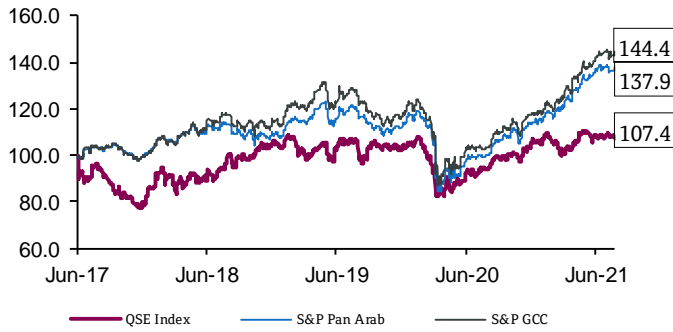
\$430bn. It's also put \$45bn into SoftBank's first Vision Fund, committed \$20bn to a Blackstone infrastructure fund, and last year invested \$1.5bn into Jio Platforms, the digital business of India's Reliance Industries. The PIF has made a spate of senior appointments recently, naming Turqi Alnowaiser and Yazeed Alhumied as deputy governors and hiring former Goldman Sachs Group Inc. banker Eyas AlDossari as head of investment advisory within the MENA Investments Division. It's also appointed Abdullah Shaker, who previously worked for Saudi AlBaraka Banking Group and HSBC Holdings Plc, as the head of capital finance advisory and planning department at its global capital finance division. (Bloomberg)

- **Saudi Arabia suspends privatization of desalination and power plant –** Saudi Arabia has suspended the privatization of the Ras Al Khair desalination and power plant, one of a number of state assets that the government aimed to sell to reduce pressure on capital spending and diversify revenues away from oil. "This decision was made in order to capitalize on knowledge and capacity built in the Kingdom as a result of many years of experience in the areas of water desalination, new technologies, R&D (research and development) and supply chains", said the Privatization Supervisory Committee for the Environment, Water and Agriculture sectors. (Reuters)
- **EV maker Lucid rises in Nasdaq debut after merger with Klein-backed SPAC –** Shares of Lucid Group Inc rose as much as 19% in their Nasdaq debut on Monday after the electric vehicle maker completed its merger with a blank-check company backed by Wall Street dealmaker Michael Klein. Lucid, which is run by an ex-Tesla Inc engineer, had agreed to go public in February through a merger with Churchill Capital Corp IV. The deal gave the combined company a pro-forma equity value of \$24bn. Lucid's listing is a huge dividend for Saudi Arabia's Public Investment Fund, which had invested more than \$1bn in the company in 2018 for a substantial stake. PIF, BlackRock and others in February invested another \$2.5bn in Lucid as part of the merger. Sovereign wealth fund PIF, the engine of Crown Prince Mohammed bin Salman's economic transformation plans for Saudi Arabia, manages a portfolio worth \$400bn. (Reuters)
- **Ethihad Etisalat cut to neutral at aljazeera capital co –** Aljazeera Capital Co analyst Talha Nazar cut the recommendation on Etihad Etisalat Co. to neutral from overweight. (Bloomberg)
- **Bank Albilad to redeem outstanding Riyal Sukuk due 2026 –** Bank Albilad to redeem outstanding riyal-denominated regulatory Tier 2 capital sukuk due 2026 in full at face value on Aug. 30. Sukuk was issued by way of a private placement on in August 2016, with an aggregate face value of SR2bn with an original maturity of 10 years. (Bloomberg)
- **CBUAE issues new anti-money laundering guidance for financial institutions –** The Central Bank of the UAE (CBUAE) on Monday issued a new guidance on anti-money laundering and combatting the financing of terrorism (AML/CFT) for its licensed financial institutions (LFIs) on the implementation of targeted financial sanctions (TFS). The newly issued guidance is supplementary to the one on TFS for financial institutions and designated non-financial business and professions, issued in May 2021, the central bank said in a statement. According to the new guidelines LFIs should develop, implement and regularly update an appropriate sanction compliance programme. This should be applied across their institutions, including branches, subsidiaries, and other entities in which LFIs hold a majority interest. (Zawya)
- **Abu Dhabi's ADIO partners with tech firms to drive \$545mn Innovation Programme –** The state-run Abu Dhabi Investment Office (ADIO) has inked partnerships with three tech companies

to provide them support as part of its AED2bn Innovation Programme. In total, ADIO has provided more than AED865mn of support to seven information and communications technology (ICT) companies this year to help them innovate. ADIO announced today that it signed partnerships with Callsign, Lyve and RIZEK to provide the three companies financial and non-financial incentives. (Zawya)

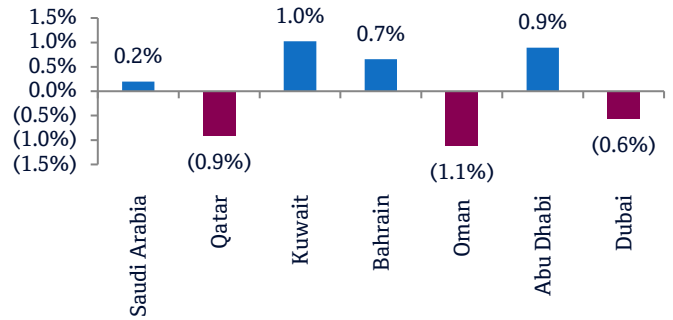
- **ADNOC to cut term oil supply for oct. by 5% to at least 3 customers** – Abu Dhabi National Oil Co. curbed its contractual crude oil volumes for October including its flagship Murban grade by 5% to at least three customers in Asia, said refinery officials who were informed by Adnoc. That compares with a 15% reduction Adnoc offered to at least two companies for September loading cargoes. (Bloomberg)
- **Oman sells OM95mn 91-day bills at yield 0.778%** – Oman sold OM95mn (\$247mn) of bills due Oct 27. The bills were sold at a price of 99.806, have a yield of 0.778 percent and will settle on Jul 28. (Bloomberg)
- **Kuwait Central Bank chief calls for reforms to ensure stability** – Kuwait needs urgent reforms to put its finances on a more sustainable footing, as monetary tools are not sufficient to address structural challenges, the governor of the central bank said on Monday. "There is an urgent need for economic reforms, and all parties, especially the executive and legislative authority, must work to address all imbalances", Mohammad al-Hashel told a conference. He didn't mention any specific measures but said reforms should aim to reduce Kuwait's dependence on oil. The central bank last year introduced a wide range of stimulus measures to soften the impact of the COVID-19 pandemic, and record low oil prices, on the banking sector and the wider economy. These included the reduction of a key discount rate twice to a historic low, relaxing banks' liquidity requirements, bolstering banks' lending capacity by enhancing maximum credit limits and reducing risk weights. (Reuters)
- **IMF says Bahrain needs 'urgent fiscal adjustment' after virus** – Bahrain has to do more to get its finances in shape, even if it manages to round up additional regional support, according to the International Monetary Fund. Once it recovers from the economic downturn instigated by the coronavirus pandemic, the island nation will likely need "an urgent fiscal adjustment," Ali Al-Eyd, the fund's Bahrain mission chief, said in an interview with Bloomberg. "Whether that counts with Gulf Cooperation Council support -- which might help facilitate that adjustment -- or not, that's still the bottom line," he said. Even before the pandemic struck, the smallest Gulf nation was in financial distress, forced to shore up its finances with a \$10bn bailout package from wealthier neighbors in 2018. (Bloomberg)
- **Bahrain sells BHD70mn 91-day bills; bid-cover 1.13** – Bahrain sold BHD70mn of 91-day bills due on October 27. Investors offered to buy 1.13 times the amount of securities sold. The bills were sold at a price of 99.658, have a yield of 1.36 percent and will settle on Jul 28. (Bloomberg)
- **Fitch affirms Arab Banking Corporation at 'BB+'; Outlook Stable** – Fitch ratings has affirmed arab banking corporation's (ABC) long-term issuer default rating (idr) at 'bb+' and viability rating (vr) at 'bb+'. the outlook on the long-term IDR is stable. (Bloomberg)
- **Fitch affirms Bank of Bahrain and Kuwait at 'B+'; Outlook Stable** – Fitch Ratings has affirmed Bank of Bahrain and Kuwait (BBK) Long-Term Issuer Default Rating (IDR) at 'B+' with Stable Outlook and Viability Rating (VR) at 'b+'. (Bloomberg)
- **Fitch Affirms National Bank of Bahrain at 'B+'; Outlook Stable** – Fitch Ratings has affirmed National Bank of Bahrain's (NBB) Long-Term Issuer Default Rating (IDR) at 'B+' with a Stable Outlook and Viability Rating (VR) at 'b+'. (Bloomberg)
- **Fitch affirms Bahrain's Ahli United Bank at 'BB+'; Outlook Stable** – Fitch Ratings has affirmed Ahli United Bank(AUB) Long-Term Issuer Default Rating (IDR) at 'BB+' with a Stable Outlook and Viability Rating (VR) at 'bb'. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,797.63	(0.3)	(0.3)	(5.3)
Silver/Ounce	25.19	0.1	0.1	(4.6)
Crude Oil (Brent)/Barrel (FM Future)	74.50	0.5	0.5	43.8
Crude Oil (WTI)/Barrel (FM Future)	71.91	(0.2)	(0.2)	48.2
Natural Gas (Henry Hub)/MMBtu	4.09	0.3	0.3	71.1
LPG Propane (Arab Gulf)/Ton	108.88	(0.7)	(0.7)	44.7
LPG Butane (Arab Gulf)/Ton	125.25	0.2	0.2	80.2
Euro	1.18	0.3	0.3	(3.4)
Yen	110.39	(0.1)	(0.1)	6.9
GBP	1.38	0.5	0.5	1.1
CHF	1.09	0.4	0.4	(3.4)
AUD	0.74	0.3	0.3	(4.0)
USD Index	92.65	(0.3)	(0.3)	3.0
RUB	73.66	(0.1)	(0.1)	(1.0)
BRL	0.19	0.4	0.4	0.3

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,080.41	0.3	0.3	14.5
DJ Industrial	35,144.31	0.2	0.2	14.8
S&P 500	4,422.30	0.2	0.2	17.7
NASDAQ 100	14,840.71	0.0	0.0	15.1
STOXX 600	461.14	0.3	0.3	11.7
DAX	15,618.98	0.1	0.1	9.4
FTSE 100	7,025.43	0.5	0.5	10.2
CAC 40	6,578.60	0.5	0.5	14.5
Nikkei	27,833.29	1.0	1.0	(5.1)
MSCI EM	1,279.99	(2.4)	(2.4)	(0.9)
SHANGHAI SE Composite	3,467.44	(2.4)	(2.4)	0.5
HANG SENG	26,192.32	(4.2)	(4.2)	(4.1)
BSE SENSEX	52,852.27	(0.1)	(0.1)	8.8
Bovespa	126,003.90	1.2	1.2	6.0
RTS	1,602.53	0.4	0.4	15.5

Source: Bloomberg (*\$ adjusted returns)

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