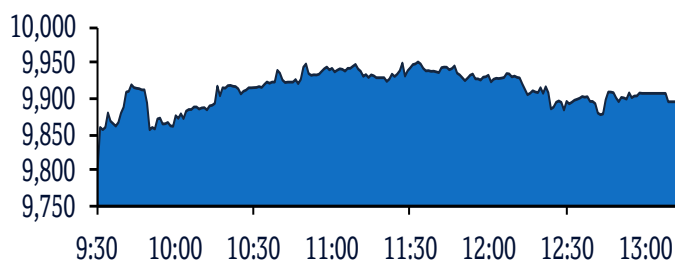


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 1.2% to close at 9,898.1. Gains were led by the Insurance and Transportation indices, gaining 3.1% and 3.0%, respectively. Top gainers were Qatar Cinema & Film Distribution Company and Qatar General Insurance & Reinsurance Company, rising 8.9% and 4.9%, respectively. Among the top losers, Mannai Corporation fell 6.1%, while Mazaya Qatar Real Estate Development was down 3.7%.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.1% to close at 8,483.0. Gains were led by the Energy and Commercial & Professional Svc indices, rising 1.8% and 1.7%, respectively. Saudi Cable Co. rose 8.7%, while Gulf General Coop. Ins. was up 7.9%.

Dubai: The DFM Index gained 1.2% to close at 2,831.3. The Consumer Staples and Disc. index rose 3.2%, while the Investment & Financial Services index gained 2.8%. Al Salam Sudan rose 7.9%, while Nat. Ind. Group Holding was up 4.5%.

Abu Dhabi: The ADX General Index gained 0.7% to close at 5,118.8. Gains were led by the Consumer Staples and Telecom. indices rising 3.5% and 2.0% respectively. International Holdings Company rose 6.4%, while Gulf Cement Co. was up 5.6%.

Kuwait: The Kuwait All Share Index gained 0.5% to close at 6,114.8. The Industrials index rose 1.0%, while the Telecommunications index gained 0.7%. KAMCO Asset Management Co. rose 8.9%, while Real Estate Trade Centers Co. was up 8.6%.

Oman: The MSM 30 Index gained 0.9% to close at 3,838.6. Gains were led by the Financial and Industrial indices, rising 0.9% each. Al Suwadi Power rose 5.9%, while Al Jazeera Services was up 4.3%.

Bahrain: The BHB Index fell 0.1% to close at 1,544.2. The Investment index declined 0.7%, while the Services index fell 0.1%. Al Baraka Banking Group declined 10.0%, while Seef Properties was down 1.9%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	2.45	8.9	0.8	28.8
Qatar General Ins. & Reins. Co.	3.62	4.9	2.4	(19.3)
Islamic Holding Group	2.15	4.9	337.0	(1.6)
Qatar Gas Transport Company Ltd.	2.28	4.1	2,358.9	27.2
Qatar Insurance Company	3.10	3.3	2,807.6	(13.6)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.35	0.9	6,202.2	(13.5)
Ezdan Holding Group	0.63	0.0	5,156.5	(51.7)
Mesaieed Petrochemical Holding	2.50	1.2	3,745.1	66.3
Doha Bank	2.55	(3.4)	3,588.4	14.9
QNB Group	18.34	0.5	3,208.6	(5.9)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	9,898.10	1.2	(4.8)	(5.8)	(3.9)	54.11	149,724.4	14.7	1.9	4.4
Dubai	2,831.28	1.2	(2.4)	(3.0)	11.9	53.90	100,662.8	11.7	1.0	4.3
Abu Dhabi	5,118.76	0.7	(2.1)	(3.7)	4.1	46.47	141,363.3	15.0	1.5	4.8
Saudi Arabia	8,482.95	1.1	(2.1)	(2.9)	8.4	810.93	534,727.6	20.6	1.9	3.6
Kuwait	6,114.75	0.5	(0.2)	(0.0)	20.4	84.93	114,303.4	15.0	1.5	3.4
Oman	3,838.61	0.9	1.6	2.1	(11.2)	6.90	16,872.8	7.6	0.8	7.1
Bahrain	1,544.21	(0.1)	(0.3)	(0.2)	15.5	7.90	24,182.4	11.7	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	07 Aug 19	06 Aug 19	%Chg.
Value Traded (QR mn)	197.9	294.9	(32.9)
Exch. Market Cap. (QR mn)	545,046.8	540,444.4	0.9
Volume (mn)	53.0	85.0	(37.6)
Number of Transactions	6,114	8,860	(31.0)
Companies Traded	46	45	2.2
Market Breadth	26:13	7:35	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	18,213.34	1.2	(4.8)	0.4	14.7
All Share Index	2,920.66	0.9	(4.8)	(5.1)	14.8
Banks	3,855.78	0.9	(4.8)	0.6	13.3
Industrials	2,935.90	0.0	(6.1)	(8.7)	16.9
Transportation	2,499.71	3.0	(2.0)	21.4	16.3
Real Estate	1,417.70	0.1	(5.5)	(35.2)	15.8
Insurance	2,767.90	3.1	(7.8)	(8.0)	16.5
Telecoms	878.41	1.5	(7.6)	(11.1)	20.4
Consumer	8,107.69	1.1	0.1	20.1	16.2
Al Rayan Islamic Index	3,833.73	0.7	(4.0)	(1.3)	14.3

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Riyad Bank	Saudi Arabia	26.00	4.4	2,911.6	31.2
Qatar Gas Transport Co.	Qatar	2.28	4.1	2,358.9	27.2
Qatar Insurance Co.	Qatar	3.10	3.3	2,807.6	(13.6)
Dubai Investments	Dubai	1.35	3.1	6,224.7	7.1
Ooredoo	Qatar	6.55	2.8	794.4	(12.7)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Cement Co.	Saudi Arabia	62.00	(7.2)	496.8	27.7
Bank Nizwa	Oman	0.09	(1.2)	58.0	(6.6)
Emaar Economic City	Saudi Arabia	10.12	(0.8)	1,653.7	27.9
Banque Saudi Fransi	Saudi Arabia	36.05	(0.7)	1,020.7	14.8
Nat. Commercial Bank	Saudi Arabia	51.20	(0.6)	3,081.3	7.0

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%
Mannai Corporation	3.56	(6.1)	143.1	(35.2)
Mazaya Qatar Real Estate Dev.	0.75	(3.7)	3,009.2	(3.6)
Doha Bank	2.55	(3.4)	3,588.4	14.9
Aamal Company	0.73	(1.7)	1,039.0	(17.4)
Salam International Inv. Ltd.	0.41	(1.7)	124.6	(5.3)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	18.34	0.5	59,384.7	(5.9)
Qatar International Islamic Bank	7.71	2.8	15,306.6	16.6
Qatar Islamic Bank	15.27	1.7	14,490.7	0.5
Masraf Al Rayan	3.54	1.1	10,156.2	(15.1)
Industries Qatar	10.41	(0.2)	9,386.1	(22.1)

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index rose 1.2% to close at 9,898.1. The Insurance and Transportation indices led the gains. The index rose on the back of buying support from Qatari shareholders despite selling pressure from GCC and non-Qatari shareholders.
- Qatar Cinema & Film Distribution Company and Qatar General Insurance & Reinsurance Company were the top gainers, rising 8.9% and 4.9%, respectively. Among the top losers, Mannai Corporation fell 6.1%, while Mazaya Qatar Real Estate Development was down 3.7%.
- Volume of shares traded on Wednesday fell by 37.6% to 53.0mn from 85.0mn on Tuesday. Further, as compared to the 30-day moving average of 60.8mn, volume for the day was 12.8% lower. Qatar First Bank and Ezdan Holding Group were the most active stocks, contributing 11.7% and 9.7% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	25.82%	26.35%	(1,043,868.51)
Qatari Institutions	22.23%	15.12%	14,070,547.12
Qatari	48.05%	41.47%	13,026,678.62
GCC Individuals	1.50%	0.63%	1,726,855.67
GCC Institutions	1.46%	3.84%	(4,701,122.82)
GCC	2.96%	4.47%	(2,974,267.15)
Non-Qatari Individuals	10.27%	8.43%	3,635,310.09
Non-Qatari Institutions	38.72%	45.64%	(13,687,721.56)
Non-Qatari	48.99%	54.07%	(10,052,411.47)

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

Earnings Releases and Global Economic Data

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2019	% Change YoY	Operating Profit (mn) 2Q2019	% Change YoY	Net Profit (mn) 2Q2019	% Change YoY
Allied Cooperative Insurance Group	Saudi Arabia	SR	130.6	14.4%	-	-	1.1	N/A
Nama Chemicals Co.	Saudi Arabia	SR	134.2	-17.3%	2.4	-91.7%	-1.0	N/A
Gulf General Cooperative Insurance	Saudi Arabia	SR	51.1	-29.6%	-	-	1.9	-36.7%
SATORP	Saudi Arabia	SR	10,055.2	-20.5%	-182.2	N/A	-474.9	N/A
United Cooperative Assurance Co.	Saudi Arabia	SR	86.2	-2.9%	-	-	2.2	81.4%
Alandalus Property Co.	Saudi Arabia	SR	42.3	2.5%	25.4	13.1%	15.1	24.4%
Saudi Chemical Co.	Saudi Arabia	SR	778.4	19.1%	49.3	27.1%	30.9	11.2%
Saudi Marketing Co.	Saudi Arabia	SR	402.5	0.4%	12.5	N/A	3.8	N/A
Emaar The Economic City	Saudi Arabia	SR	210.0	-13.9%	-99.0	N/A	-115.0	N/A
National Gypsum Co.	Saudi Arabia	SR	12.5	-20.3%	-1.8	N/A	-1.9	N/A
Middle East Healthcare Co.	Saudi Arabia	SR	353.2	2.0%	7.6	-76.1%	12.3	-64.2%
Gulfa Mineral Water & Processing	Dubai	AED	5.5	-27.4%	-	-	-1.5	N/A
Union Properties	Dubai	AED	104.6	-15.5%	-	-	-84.1	N/A
Abu Dhabi National Takaful Co.	Abu Dhabi	AED	133.7	52.6%	-	-	4.9	-8.8%
Reem Investments*	Abu Dhabi	AED	8.8	-6.7%	-	-	211.3	-15.1%
Solidarity Bahrain	Bahrain	BHD	-	-	-	-	1.3	11.4%
Bahrain Duty Free Shop Complex	Bahrain	BHD	8.9	1.2%	1.5	1.2%	1.7	-8.6%
Investcorp Bank**	Bahrain	BHD	465.0	2.4%	-	-	131.0	4.8%
Delmon Poultry Company	Bahrain	BHD	4.0	-3.9%	-	-	0.1	-57.3%
United Gulf Investment Corporation	Bahrain	BHD	8.7	-21.4%	-	-	-0.7	24.8%

Source: Company data, DFM, ADX, MSM, TASI, BHB. (*Financials for 6M2019, **Financials for FY2018-19)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
08/07	US	Mortgage Bankers Association	MBA Mortgage Applications	2-August	5.3%	-	-1.4%
08/07	Germany	Deutsche Bundesbank	Industrial Production SA MoM	June	-1.5%	-0.5%	0.1%
08/07	Germany	Bundesministerium fur Wirtscha	Industrial Production WDA YoY	June	-5.2%	-3.1%	-3.7%

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

Qatar

- **MRDS posts net profit of QR13.6mn in 1H2019** – Mazaya Real Estate Development Company (MRDS) disclosed the interim financial statement for the period ended June 30, 2019, where the statements showed a net profit of QR13,634,313 compared to previously reported net profit of QR16,209,410 for the same period of the previous year. During the year, the company had implemented International ‘Financial Reporting Standard 16’, which resulted in a restated net profit of QR31,763,041 for the same period of the previous year. The earnings per share amounted to QR0.012 for the period ended June 30, 2019 to earning per share amounted to QR0.014 and restated earnings per share amounted to QR0.027 for the same period of the previous year. (QSE)
- **QSE announces Eid Al-Adha holiday** – Qatar Stock Exchange (QSE) announced Eid Al-Adha Holiday, which will be starting from August 11, 2019 up to August 13, 2019. The market will resume trading on August 14, 2019. This is based on the instructions received from the Qatar Financial Markets Authority. Wishing you Eid Mubarak! (QSE)
- **QCB issues treasury bills worth QR600mn for August** – Qatar Central Bank (QCB) has issued treasury bills for August 2019 for three, six and nine months, with a value of QR600mn. According to a statement issued on QCB’s website, the treasury bills are distributed as follows: QR300mn for three months at an interest rate of 1.98%, QR200mn for six months at an interest rate of 2.09%, and QR100mn for nine months at an interest rate of 2.11%. Qatar Central Bank’s issuance of the treasury bills comes within the framework of its efforts to develop the monetary policy in the State of Qatar and increase its effectiveness and to strengthen the banking and financial system, as well as to activate the tools available for the open market operations as one of the monetary policy tools, and as an implementation of the mechanism of coordination between financial and monetary policies. (Peninsula Qatar)
- **Qatar First Bank to recommend the approval of capital reduction through a special resolution in its EGM** – Qatar First Bank (QFBQ) announced the agenda for its Extraordinary General Meeting (EGM) to be held on August 28, 2019. Agenda of the (EGM) are as follows: (i) Approval, by special resolution (available on QFBQ website), of the reduction of the share capital of the bank by 65% to QR700mn, subject to regulatory approval, (ii) Approval, by special resolution (available on QFBQ website), of the amendment of the Articles of Association, adding and amending some Articles in relation to the capital reduction & regulatory requirements, and (iii) Approving the exemption of Barzan Holding and Generic Engineering Co. from the limit in respect of related party transactions of the board members with the bank for the year 2019. (QSE)
- **QIA acquires significant stake in Oryx Midstream Services** – The Qatar Investment Authority (QIA) announced that it acquired a significant stake in Oryx Midstream Services (Oryx), the largest privately-held midstream crude operator in the Permian Basin from an affiliate of Stonepeak Infrastructure Partners (Stonepeak). The total QIA investment in Oryx will be approximately \$550mn. The QIA has committed to invest in the

development of Oryx alongside Stonepeak. Since its founding in 2013, Oryx has established itself as one of the leading midstream operators in the Permian Basin in the Southwest of the US. The Oryx system transports crude oil to market hubs for ultimate delivery to the Gulf Coast. The system helps supply domestic refineries and the growing US export market. Upon completion of the remaining part of the system under construction, Oryx’s total transportation capacity will exceed 900,000 barrels per day and access multiple takeaway options, providing customers the differentiated service flexibility they need to maximize the value of their production. (Gulf-Times.com)

- **QCB’s foreign reserves rise to QR196.2bn in July 2019** – Qatar Central Bank (QCB) data indicated a significant increase in international reserves and foreign currency liquidity at the Central Bank. The QCB data showed the international reserves rose to the level of QR196.2bn in July 2019, Al Byraq Center for Economic and Financial Studies noted in its weekly analysis. Other foreign currency liquid assets (not included in the Bank’s official reserves) are added to the international reserves. QCB’s official reserves rose by QR2.9bn to about QR140.9bn in July, compared to the previous month. Total international reserves, with liquidity in foreign currency at the bank at the end of July from the previous month, increased by about QR1.57bn to reach about QR196.2bn, thus increasing by about QR29.6bn, or 18% of what it was at the end of May 2017 (just before the blockade), and increased by 9.3% compared to the end of 2018, amounting to QR179.4bn. The monthly increase in international reserves during July 2019 is attributable to the increase in QCB’s portfolio of foreign bonds and treasury bills by about QR3.6bn, gold balances with the bank by about QR97.6mn, with the bank’s balances with foreign banks declining by QR752.9mn. According to the annual comparison with July 2018, the bank’s international reserves witnessed a big jump, rising by more than QR48bn, or 52%. This increase was distributed to all components of the bank’s international reserves as follows: (i) The bank’s portfolio of foreign bonds and treasury bills increased by about QR40.7bn or more than 103%, (ii) The bank’s balances with foreign banks increased by about QR4.2bn or 8.7%, (iii) The bank’s gold holdings increased by more than QR2.7bn, or more than 72%, and (iv) Increase in SDR deposits and the state’s share in the International Monetary Fund by about QR485.8mn or 34.7%. (Peninsula Qatar)
- **Qatar’s July Financial Center PMI falls to 45.2 versus 47.2 in June** – IHS Markit released Qatar’s July financial center Purchasing Managers’ Index, which showed that the index fell to 45.2 from 47.2 in June. This is the lowest reading since series began and fourth consecutive month of contraction. New orders also fell to 44.2 as compared to 46.3 in June. (Bloomberg)
- **Newer hotels place Qatar’s hospitality sector ahead in the Middle East** – Younger and newer hotels have made Qatar’s hospitality as one of the best in the Middle East, Al Asmakh Valuations and Research’s Director, Gaurav Borikar has said. As reported, over 12mn online reviews between April 1, 2018 and March 31, 2019 have acknowledged the merit of Qatar’s hospitality sector and ranked best in the Middle East. When compared to other neighboring countries, Borikar said, Qatar

has younger and newer hotels with up to date specifications and user-friendly technology. Qatar has currently a total of about 132 hotels of 3 to 5-star categories with around 26,700 rooms. Out of this figure, the 5-star group consists of about 12,320 rooms comprising 46% of total rooms available. The 4-star hotel segment has about 8,000 rooms, about 30% of total rooms available. "Based on our survey, the annualized Average Daily Rate (ADR) is about QR530 in 5-star category, about QR230 in 4-star and QR180 in 3-star categories," he said. The average annualized occupancy in 5-star categories is about 65%, in 4-star about 68%, in 3-star about 75% and in budget segment about 78%. The annualized RevPAR in the hotels under the 5-star category is about QR350, in 4-star is about QR160, and in 3-star category is about QR135. (Qatar Tribune)

International

- US banks limp away from hopes of interest margin expansion** – Big US banks are under pressure again, as policymakers around the globe have dashed any hopes that the industry might finally be able to earn more money on loans, after more than a decade of rock-bottom interest rates. The changes have stung major lenders, whose executives have long complained about the impact of low rates on lending income. During second-quarter earnings calls last month, executives from several major US lenders softened outlooks for net interest margins, some for the second time in 2019, according to the research firm Portales Partners. Meanwhile, Treasury yields fell to a near-record-low on Wednesday, with futures markets predicting the Fed will cut rates another three times by year-end. (Reuters)
- Trade group: Cost to US consumers, businesses of Trump's China tariffs surged in June** – A whopping 74% increase in tariffs since last year added \$6bn in extra costs for US consumers and businesses, a pro-trade group stated as it warned additional tariffs threatened by President Donald Trump would further hit demand and hurt jobs. The US-China trade war has intensified this week after Washington branded Beijing a currency manipulator and stated it would impose 10% tariffs on the remaining \$300bn in Chinese imports, starting on September 1. Trump on Wednesday repeated his tough stance on China, saying his actions would ultimately benefit the American economy. The trade group, called Tariffs Hurt the Heartland, which includes the Americans for Free Trade coalition and Farmers for Free Trade, disagreed with Trump's position. It said the 74% rise from the same period a year ago was one of the highest monthly jumps on record. (Reuters)
- Halifax: UK house prices unexpectedly fall in July** – British house prices unexpectedly dropped for a second month in a row in July, figures from mortgage lender Halifax showed, adding to signs that households are growing warier of making major financial decisions ahead of Brexit. Halifax stated house prices fell 0.2% on the month, compared with economists' forecasts in a Reuters poll for a 0.3% rise, while the annual growth rate for the three months to July dropped to 4.1% from 5.7%, also a sharper decline than expected. Halifax's annual house price growth rates remain elevated compared with other measures of British house prices - which point to a broadly flat picture - and Halifax stated its annual figures were boosted by weak prices a year earlier. The most recent official data, for the 12 months to May, showed annual house price increases of 1.2%, and that prices in London fell by the most since 2009. (Reuters)
- German industrial output drops more than expected in June** – German industrial output fell more than expected in June, driven by weaker production of intermediate and capital goods, data showed, adding to signs that Europe's biggest economy contracted in the second quarter. Industrial output dropped by 1.5% on the month - a far steeper drop than the 0.4% decrease that had been forecast, figures released by the Statistics Office showed. May's reading was revised down to an increase of 0.1% from a previously reported 0.3% rise. (Reuters)
- Asian central banks flag growth concerns with surprising rate cuts** – Asia central banks signaled major concerns on Wednesday about the outlook for economic growth, stunning markets with a series of surprising interest rate cuts and pointing to policymakers' dwindling ammunition to fight off a downturn. The moves came after trade tensions and slowing global growth prompted the US Federal Reserve to cut rates for the first time in a decade and the European Central Bank to signal policy easing. Australia's central bank eased policy in June and July. "Almost every tool in the box has been used to engineer a soft landing in the current economic cycle downturn," analysts at OCBC in Singapore said in a market note, arguing that limited stimulus options, given that rates are generally very low, were problematic. "We may stave off this recession with rate cuts - but when the accumulation of stresses comes due in the next downturn, the lack of monetary policy space is likely to result in a harder landing for the global economy," analysts said. (Reuters)
- China July exports surprise, rise 3.3%; imports fall 5.6%** – China's exports unexpectedly rose in July, growing 3.3% from a year earlier, customs data showed, despite mounting US trade pressure. Analysts polled by Reuters had expected exports would fall 2.0%, after a 1.3% decline in June. Imports in July fell 5.6% from a year earlier, less than a predicted fall of 8.3% and moderating from a 7.3% drop in June. That left China with a trade surplus of \$45.06bn in July, compared with a \$50.98bn surplus in June. Analysts had forecasted \$40bn. (Reuters)
- China's July forex reserves fall to \$3.104tn amid rising trade tensions** – China's foreign exchange reserves fell by \$15.54bn in July to \$3.104tn, central bank data showed, as the Yuan came under pressure amid rising trade tensions with the US. Economists polled by Reuters had expected the country's reserves, the world's largest, would fall by \$18bn to \$3.101tn. The fall in July - which was only the second monthly drop this year - was due to changes in foreign exchange rates and prices of assets which China holds in its reserves, the foreign exchange regulator stated in a statement after the data release. China has been able to keep capital outflows under control over the past year despite the bruising trade war with the United States and weakening economic growth at home. Reserves have rebounded from an October 2018 low thanks to capital controls and rising foreign investments in Chinese stocks and bonds. (Reuters)
- RBI makes unconventional rate cut in bid to spur growth** – The Reserve Bank of India (RBI) lowered its benchmark interest rates for a fourth straight meeting on Wednesday with a slightly bigger than expected cut, underscoring its worries

about India's near-five year low economic growth pace. The six-member monetary policy committee (MPC) cut the repo rate by an unconventional 35 basis points (bps) to 5.40%, just above a 25 bps cut predicted by 80% of the 66 analysts polled by Reuters last month. The RBI's move came hours after the New Zealand central bank's decision to cut its rates by a steep 50 bps, and just before the Bank of Thailand surprised the market by cutting its benchmark. (Reuters)

- **Reuters poll: India's inflation likely edged up to nine-month high in July** – India's retail inflation rose for the sixth straight month in July - the longest stretch of monthly increases since January 2016 - to a nine-month high, largely due to a continued rise in food prices, a Reuters poll predicted. Despite rising, inflation is expected to remain below the Reserve Bank of India's medium-term target of 4%, clearing the way for more policy easing. The July 31-August 6 poll of 30 economists showed retail inflation rose to 3.20% in July from a year ago, a touch above June's 3.18%. The expected rise in inflation was mainly based on an increase in food prices and fuel costs - the biggest components of the consumer price index. Food prices have risen due to lower-than-expected monsoon rains over the past two months. (Reuters)

Regional

- **Saudi Aramco valuation gap persists as IPO talks resume** – Saudi Crown Prince, Mohammed Bin Salman is insisting on a \$2tn valuation of oil firm Saudi Aramco, even though some bankers and company insiders say that the Kingdom should trim its target to around \$1.5tn, industry and banking sources said. With Saudi Aramco talking again to banks about an Initial Public Offering (IPO), its board is meeting later this week and will probably hold a discussion about the company's value, a source said. Prince Mohammed put a \$2tn valuation on the state company in early 2016 when he first proposed a share sale to diversify Saudi Arabia's economy beyond oil. He has stuck with that valuation, according to the source close to Saudi Aramco. Over the past three years, countries have accelerated efforts to shift away from fossil fuels to curb global warming, putting oil prices under pressure. A valuation gap could hinder any share sale. "If the market didn't value Aramco properly, there is no rush to IPO, they can always postpone," sources said. "They have the right tools to maneuver and aren't in a weak position to IPO Aramco unless with a valuation that achieves the objectives of the vision and the national interest." Even at the lower end of estimated valuations, Saudi Aramco's IPO would create the world's largest public company. It would also bring unprecedented scrutiny on the Kingdom. The initial plan to sell a 5% stake in Saudi Aramco was meant to raise funds for Saudi Arabia's sovereign wealth fund to invest in non-oil sectors. When the IPO was shelved, the wealth fund sold a majority stake in petrochemicals company Saudi Basic Industries Corp. (SABIC) to Saudi Aramco for \$69bn instead. (Reuters)
- **SoftBank says second Vision Fund could start investing soon, bags big gains on first** – SoftBank Group Corp's second Vision Fund could start investing as soon as next month, founder and Chief Executive, Masayoshi Son said, as the technology conglomerate reported a leap in profits at its first \$100bn fund. SoftBank stated last week it has secured \$108bn in pledges for

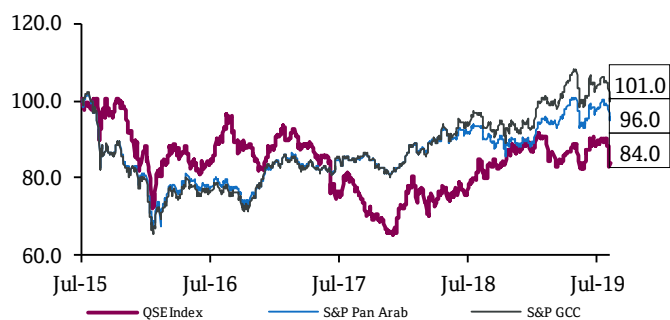
its Vision Fund 2 (VF2) from participants including Microsoft Corp and Apple Inc, without breaking out their individual contributions. The anchor investors from the first fund, Saudi Arabia and Abu Dhabi, are showing high interest in taking stakes and negotiations are ongoing, Son said after SoftBank turned in first-quarter operating earnings that blew past consensus estimates. That result was aided by a stellar performance at the first Vision Fund, whose operating profit jumped 66% on year to \$3.74bn for the three months ended June. SoftBank is relying on proceeds from the first Vision Fund (VF1) along with other assets to bankroll its \$38bn contribution to the second fund. "Vision Fund 2 could start investing pretty soon, next month or the month after," Son said. (Reuters)

- **SIBC's reported net loss of SR284.7mn in 2Q2019** – Saudi Investment Bank (SIBC) recorded net loss of SR284.7mn in 2Q2019. Total operating profit fell 1.2% YoY to SR663.1mn in 2Q2019. Total revenue for special commissions/investments rose 11.1% YoY to SR974.6mn in 2Q2019. Total assets stood at SR98.0bn at the end of June 30, 2019 as compared to SR102.0bn at the end of June 30, 2018. Loans and advances stood at SR56.9bn (-4.1% YoY), while customer deposits stood at SR66.8bn (-6.3% YoY) at the end of June 30, 2019. (Tadawul)
- **UAE's June consumer prices fall 0.03% MoM and 1.49% YoY** – Federal Competitiveness and Statistics Authority in Dubai published UAE's consumer prices which showed that prices fell 0.03% MoM in June as compared to a rise of 0.97% in the previous month. The consumer prices fell 1.49% YoY. (Bloomberg)
- **AGTHIA plans Gulf acquisition** – AGTHIA may acquire a business worth more than AED150mn in a Gulf country before year-end, CEO, Tariq Al Wahedi said. "We are actively looking for expansion everywhere and we will continue to that going forward," he added. It is looking to expand in South East Asia and East Africa through acquisitions. (Bloomberg)
- **ADNOC acquires 10% stake in Vitol oil-storage unit** – Abu Dhabi National Oil Co. is acquiring a 10% stake in Vitol Group's worldwide fuel-storage business, boosting its capacity to store and supply crude in key export markets. The government-run oil producer will make 'a strategic investment' in Rotterdam-based VTTI, ADNOC stated, without specifying how much it's paying for the stake. VTTI owns and operates storage terminals in 14 countries including in Asia, Africa and Europe. ADNOC sells most of its crude to Asia. Abu Dhabi, capital of the United Arab Emirates, holds about 6% of the world's crude, and ADNOC has invested heavily in oil-storage facilities at home and abroad. The company currently has crude-storage agreements with India and Japan. At the same time, Abu Dhabi is revamping ADNOC's operations, selling stakes to outsiders to raise cash as it tries to forge an economy less dependent on oil. "By bringing in ADNOC as a shareholder in VTTI, we've got the opportunity now to further expand that company, take it to new markets and bring new opportunities to the three shareholders," Vitol Chief Executive Officer, Russell Hardy said. Vitol, the world's biggest independent oil trader, and Australia-based IFM Global Infrastructure Fund will each hold 45% of VTTI, once the deal is completed. VTTI's facilities can store about 60mn barrels of oil, and much of the storage "is complementary to ADNOC's natural trade flows," according to

the statement. The deal will also improve ADNOC's capabilities at its main storage hub, the UAE port of Fujairah, the company stated. (Bloomberg)

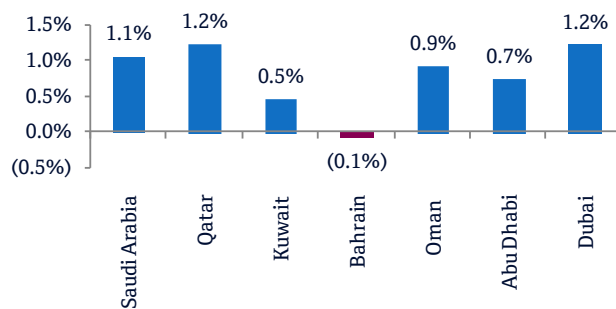
- **INVESTB reported net loss of AED180mn in 1H2019** – Invest Bank (INVESTB) recorded net loss of AED180mn in 1H2019, as compared to a net loss of AED72mn in 1H2018. Net interest income fell 48% YoY to AED115mn in 1H2019. Operating income fell 40% YoY to AED204mn in 1H2019. Total assets stood at AED11.7bn at the end of June 30, 2019 as compared to AED14.0bn at the end of December 31, 2018. Loans and advances stood at AED9.3bn (-8% YTD), while customers' deposits stood at AED9.5bn (-18% YTD) at the end of June 30, 2019. (ADX)
- **Investcorp annual net profit up 5%, cuts private equity co-investments** – Bahrain-based Investcorp stated that its net profit rose 5% in its latest financial year, helped by higher fee income, however the asset manager cut private equity co-investments by almost a fifth to reduce risk on its balance sheet. The move was aimed at allowing the firm to navigate the current economic cycle amid trade and geopolitical tensions, Chief Financial Officer of Investcorp, Jan Erik said. The creation of a European private equity fund with Collier Capital, a secondary private equity transaction with HarbourVest on a mature technology fund and other private equity exits reduced co-investments in its private equity business by 19% to \$505mn, the firm stated. Jan Erik said the firm has access to \$1.1bn of liquidity, while the capital adequacy ratio of the firm has also risen to 33.8% for the year ended June 30, up from 31.5%. "The balance sheet is carrying less risk now than last year," he said. "That is another way of saying we have more dry powder." Investcorp stated its net profit rose 5% to \$131mn, as fee income climbed 17%. Assets under management rose \$1.9bn to \$28.2bn in its last financial year. (Reuters)
- **Bahrain's Investcorp raises \$436mn loan to refinance debt** – Investcorp Bank, the Bahrain-based alternative investor backed by wealthy Middle Eastern families, raised a \$436mn loan to replace an existing facility. The deal closed "with an overwhelming participation from the existing lenders," Investcorp's Head of Treasury, Daniele Vecchi said. The four-year loan with an option to extend for one year replaces a \$400mn facility, carries a better price and has a longer maturity, he said. Investcorp's assets under management climbed to \$28.2bn at the end of June from \$26.3bn a year earlier. Investcorp will complete the process of surrendering its wholesale banking license and turning into a holding company this summer. The change will be "largely invisible to clients and to the rest of the market," CFO, Jan Erik said and new structure will be more aligned to global asset management peers. Investcorp's regulatory capital requirement will disappear with license surrender; company uses economic capital to manage risk appetite, which is more conservative than regulatory capital. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,501.28	1.8	4.2	17.1
Silver/Ounce	17.11	4.0	5.6	10.4
Crude Oil (Brent)/Barrel (FM Future)	56.23	(4.6)	(9.1)	4.5
Crude Oil (WTI)/Barrel (FM Future)	51.09	(4.7)	(8.2)	12.5
Natural Gas (Henry Hub)/MMBtu	2.18	1.4	2.8	(31.6)
LPG Propane (Arab Gulf)/Ton	38.50	(5.2)	(13.7)	(39.8)
LPG Butane (Arab Gulf)/Ton	41.00	(3.5)	(12.8)	(41.0)
Euro	1.12	0.0	0.8	(2.3)
Yen	106.27	(0.2)	(0.3)	(3.1)
GBP	1.21	(0.2)	(0.2)	(4.8)
CHF	1.03	0.1	0.7	0.6
AUD	0.68	(0.1)	(0.6)	(4.1)
USD Index	97.54	(0.1)	(0.5)	1.4
RUB	65.33	0.1	0.1	(6.3)
BRL	0.25	(0.2)	(2.0)	(2.2)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,114.05	0.2	(1.7)	12.2
DJ Industrial	26,007.07	(0.1)	(1.8)	11.5
S&P 500	2,883.98	0.1	(1.6)	15.0
NASDAQ 100	7,862.83	0.4	(1.8)	18.5
STOXX 600	368.60	0.5	(1.5)	7.0
DAX	11,650.15	1.0	(0.9)	8.3
FTSE 100	7,198.70	0.4	(2.7)	2.0
CAC 40	5,266.51	0.9	(0.7)	9.1
Nikkei	20,516.56	0.2	(2.0)	7.0
MSCI EM	972.65	(0.0)	(3.1)	0.7
SHANGHAI SE Composite	2,768.68	(0.8)	(5.1)	8.2
HANG SENG	25,997.03	0.0	(3.6)	0.4
BSE SENSEX	36,690.50	(0.9)	(3.2)	(0.3)
Bovespa	102,782.40	0.6	(2.6)	13.7
RTS	1,284.91	(0.7)	(0.6)	20.2

Source: Bloomberg (*\$ adjusted returns)

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