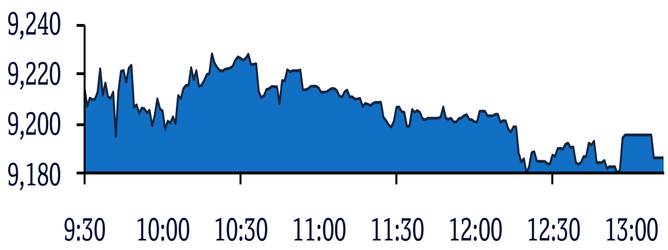
Daily Market Report

Monday, 06 July 2020

QSE Intra-Day Movement



Market Indicators	05 Jul 20	02 Jul 20	%Chg.
Value Traded (QR mn)	500.1	654.7	(23.6)
Exch. Market Cap. (QR mn)	536,429.2	534,618.0	0.3
Volume (mn)	340.4	394.1	(13.6)
Number of Transactions	8,401	10,386	(19.1)
Companies Traded	46	44	4.5
Market Breadth	26:19	25:16	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	17,662.03	(0.3)	(0.3)	(7.9)	14.5
All Share Index	2,870.01	(0.3)	(0.3)	(7.4)	15.3
Banks	3,988.71	(1.0)	(1.0)	(5.5)	13.1
Industrials	2,607.12	0.7	0.7	(11.1)	20.7
Transportation	2,798.53	1.1	1.1	9.5	13.6
Real Estate	1,516.98	2.2	2.2	(3.1)	15.0
Insurance	1,976.43	(0.1)	(0.1)	(27.7)	32.8
Telecoms	877.52	0.3	0.3	(2.0)	14.7
Consumer	7,290.82	0.1	0.1	(15.7)	18.6
Al Rayan Islamic Index	3,704.30	0.4	0.4	(6.2)	17.0

Qatar Commentary

The QE Index declined 0.3% to close at 9,187.2. Losses were led by the Banks & Financial Services and Insurance indices, falling 1.0% and 0.1%, respectively. Top losers were Islamic Holding Group and Mannai Corporation, falling 3.6% and 3.5%, respectively. Among the top gainers, Ezdan Holding Group gained 9.9%, while Qatari Investors Group was up 9.5%.

GCC Commentary

Saudi Arabia: The TASI Index gained 1.0% to close at 7,388.5. Gains were led by the Health Care and Software & Services indices, rising 6.9% and 5.8%, respectively. Malath Insurance rose 10.0%, while Wafrah for Industry and Dev. was up 9.3%.

Dubai: The DFM Index gained marginally to close at 2,062.1. The Real Estate & Construction and Services indices rose 0.8% each. DAMAC Properties Dubai Co. rose 5.6%, while Dar Al Takaful was up 2.8%.

Abu Dhabi: The ADX General Index fell 0.2% to close at 4,303.9. The Telecom. index declined 1.3%, while the Real Estate index fell 0.5%. Sharjah Cement & Industrial Development Co. declined 4.9%, while Al Khazna Insurance Co. was down 4.8%.

Kuwait: The Kuwait All Share Index gained 0.4% to close at 5,142.3. The Health Care index rose 2.2%, while the Real Estate index gained 0.7%. Advanced Technology Co. rose 10.0%, while Dar Al Thraya Real Estate Co. was up 9.4%.

Oman: The MSM 30 Index fell 0.1% to close at 3,508.5. The Financial index declined 0.2%, while the Services index fell marginally. Al Madina Takaful Company declined 1.4%, while Musandam Power Company was down 1.3%.

Bahrain: The BHB Index gained 0.2% to close at 1,277.5. The Commercial Banks index rose 0.4%, while the Investment index gained 0.1%. Ahli United Bank rose 0.9%, while GFH Financial Group was up 0.7%.

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Mouwasat Medical Serv.	Saudi Arabia	103.20	8.3	475.3	17.3
Bank Al Bilad	Saudi Arabia	24.08	8.0	4,450.4	(10.5)
Bank Al-Jazira	Saudi Arabia	11.98	5.1	21,975.7	(20.3)
Saudi Cement Co.	Saudi Arabia	54.90	2.8	698.8	(21.7)
Savola Group	Saudi Arabia	45.00	2.7	597.5	31.0

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
The Commercial Bank	Qatar	3.76	(1.6)	2,161.6	(19.9)
Masraf Al Rayan	Qatar	3.95	(1.4)	1,363.4	(0.4)
Emirates Telecom. Group	Abu Dhabi	16.56	(1.3)	291.2	1.2
Bank Muscat	Oman	0.33	(1.2)	122.3	(19.2)
Emirates NBD	Dubai	8.81	(1.0)	220.9	(32.2)

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%
Ezdan Holding Group	1.32	9.9	65,195.1	114.5
Qatari Investors Group	2.09	9.5	12,342.7	16.7
Baladna	1.51	9.4	32,254.9	51.0
Qatar Cinema & Film Distribution	2.93	8.5	255.7	33.2
Qatar First Bank	1.13	7.4	28,845.3	37.5

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Islamic Holding Group	3.97	(3.6)	6,182.4	108.9
Mannai Corporation	2.83	(3.5)	50.9	(8.3)
Al Khalij Commercial Bank	1.60	(2.9)	11,156.7	22.4
Widam Food Company	6.82	(2.5)	22.3	0.8
The Commercial Bank	3.76	(1.6)	2,161.6	(19.9)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	1.32	9.9	65,195.1	114.5
Baladna	1.51	9.4	32,254.9	51.0
Qatar Aluminium Manufacturing	0.82	3.6	29,997.2	4.4
Qatar First Bank	1.13	7.4	28,845.3	37.5
Mazaya Qatar Real Estate Dev.	0.87	1.3	25,543.2	21.6

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Ezdan Holding Group	1.32	9.9	84,791.9	114.5
Baladna	1.51	9.4	48,244.3	51.0
Qatar First Bank	1.13	7.4	31,471.9	37.5
Gulf International Services	1.60	5.8	28,272.4	(7.2)
Qatar Navigation	6.00	0.0	26,694.0	(1.6)

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*	9,187.17	(0.3)	(0.3)	2.1	(11.9)	136.85	146,498.8	14.5	1.4	4.4
Dubai	2,062.08	0.0	0.0	(0.2)	(25.4)	34.30	79,782.2	6.2	0.7	4.7
Abu Dhabi	4,303.92	(0.2)	(0.2)	0.4	(15.2)	15.91	132,828.4	13.8	1.3	5.9
Saudi Arabia	7,388.49	1.0	1.0	2.3	(11.9)	1,474.66	2,221,406.4	22.3	1.8	3.5
Kuwait	5,142.34	0.4	0.4	0.2	(18.1)	45.82	94,890.5	14.8	1.2	3.9
Oman	3,508.47	(0.1)	(0.1)	(0.2)	(11.9)	0.98	15,290.8	10.0	0.8	6.8
Bahrain	1,277.52	0.2	0.2	(0.0)	(20.7)	1.95	19,301.1	9.6	0.8	5.5

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 0.3% to close at 9,187.2. The Banks & Financial Services and Insurance indices led the losses. The index fell on the back of selling pressure from Qatari and non-Qatari shareholders despite buying support from GCC shareholders.
- Islamic Holding Group and Mannai Corporation were the top losers, falling 3.6% and 3.5%, respectively. Among the top gainers, Ezdan Holding Group gained 9.9%, while Qatari Investors Group was up 9.5%.
- Volume of shares traded on Sunday fell by 13.6% to 340.4mn from 394.1mn on Thursday. However, as compared to the 30-day moving average of 235.2mn, volume for the day was 44.7% higher. Ezdan Holding Group and Baladna were the most active stocks, contributing 19.2% and 9.5% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	63.31%	60.83%	12,435,788.22
Qatari Institutions	13.99%	16.95%	(14,802,989.35)
Qatari	**77.30%**	**77.78%**	**(2,367,201.12)**
GCC Individuals	1.45%	1.57%	(619,802.76)
GCC Institutions	1.67%	0.95%	3,589,734.40
GCC	**3.12%**	**2.52%**	**2,969,931.64**
Non-Qatari Individuals	18.35%	18.60%	(1,226,178.96)
Non-Qatari Institutions	1.23%	1.10%	623,448.44
Non-Qatari	**19.58%**	**19.70%**	**(602,730.52)**

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

Earnings Releases and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2020	% Change YoY	Operating Profit (mn) 2Q2020	% Change YoY	Net Profit (mn) 2Q2020	% Change YoY
Almarai Co.	Saudi Arabia	SR	4,081.8	8.3%	759.2	2.2%	643.9	10.5%

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

Earnings Calendar

Tickers	Company Name	Date of reporting 2Q2020 results	No. of days remaining	Status
QNBK	QNB Group	12-Jul-20	6	Due
MARK	Masraf Al Rayan	13-Jul-20	7	Due
QFLS	Qatar Fuel Company	15-Jul-20	9	Due
QIBK	Qatar Islamic Bank	15-Jul-20	9	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	15-Jul-20	9	Due
IHGS	Islamic Holding Group	16-Jul-20	10	Due
QEWS	Qatar Electricity & Water Company	19-Jul-20	13	Due
ABQK	Ahli Bank	20-Jul-20	14	Due
QIGD	Qatari Investors Group	21-Jul-20	15	Due
WDAM	Widam Food Company	23-Jul-20	17	Due
NLCS	Alijarah Holding	23-Jul-20	17	Due
DHBK	Doha Bank	27-Jul-20	21	Due
ORDS	Ooredoo	28-Jul-20	22	Due

Source: QSE

News

Qatar

- **WDAM to disclose 2Q2020 financials on July 23 –** Widam Food Company (WDAM) will disclose the financial reports for the period ending June 30, 2020 on July 23, 2020. (QSE)
- **BRES signs a financing agreement with Barwa Bank –** Barwa Real Estate company (BRES) has signed a financing agreement with Barwa Bank worth QR1,925mn. The purpose of the agreement is to refinance one of BRES' current facilities which will positively reflect on the company's cashflow. The new financing period will extend to seven years. Noting that there is no conflict of interest between the contracting parties to this agreement. (QSE)
- **QNB Group launches new cross border account in Tunisia –** QNB Group, the largest financial institution in the Middle East and Africa, has launched an exclusive program allowing Tunisian customers to connect with their home country and Qatari nationals to bank in Tunisia, by opening an account with QNB Tunisia from Qatar. This exclusive service has been added to the package of other cross-border offerings QNB Group has in Turkey, Egypt, Jordan, Lebanon, Kuwait, Oman, the UK, and France. This is an addition to the bank's cross-border offerings, enabling customers to open accounts in their home country, Tunisia, from Qatar. QNB Group's cross-border solutions enable customers to have a full 360 view on their accounts in one click through its Internet and Mobile Banking platforms. With the global ID feature, customers can also transfer money between their accounts easily and quickly. (Press Release)
- **Nine contracts worth QR3.6bn signed for citizens' land plots development –** HE the Prime Minister and Minister of Interior Sheikh Khalid bin Khalifa bin Abdulaziz Al-Thani witnessed, through video conference on Sunday, the signing of nine new construction contracts between the Public Works Authority (Ashghal) and Qatari companies for infrastructure development projects in new citizens' subdivisions. These projects, with a total value of around QR3.6bn, will serve more than 5,111 residential plots in different areas of the country, will start in 3Q2020. During the video conference, a brief presentation was made about the plan of developing new and existing citizens' land projects for 2020, in addition to the features and benefits of the infrastructure projects, which include roads, parking lots, sewage networks, surface and groundwater drainage, and treated water, the official Qatar News Agency reported. In a statement, Ashghal said it held an event on Sunday to sign the new contracts and all phases of the event and the signing ceremony were remotely conducted using video conferencing technology. (Gulf-Times.com)
- **Oxford Economics: Qatar economy set to recover from pandemic in 2H2020 –** Qatar's economy is set to recover from the pandemic in second half of this year and grow steadily over the medium term, amid ongoing investment ahead of World Cup 2022 and a rise in gas production, according to Oxford Economics. "The country's GDP growth is now seen averaging 4% in 2021-22, although dependence on travel and tourism and expatriate workers suggests downside risks," Oxford Economics said in its latest country economic forecast. Qatar, Oxford Economics noted, is more resilient to low oil prices than other producers as it has the lowest fiscal break-even point ($40 per barrel in 2020) in the GCC, large financial buffers and greater flexibility over oil output since leaving OPEC in January 2019. "But the budget will move into deficit (equal to about 6% of GDP) this year as revenues slump," the forecast said. Crude oil output rose just 0.1% in 2018 and Oxford Economics thinks it declined by 0.2% in 2019. "Given collapsing external demand and in light of renewed OPEC+ production cuts (albeit Qatar is not party to this), we think oil output will now fall to 575,000 bpd in 2020, the lowest since 2002," Oxford Economics noted. The lifting of the moratorium on North Field gas projects will have a positive impact and plans to increase LNG capacity by almost 65% to 126mn tons per year (tpy) by 2027 from 77mn tpy currently remain on track. Qatar intends to pick international partners at 2020-end, it said. Qatar's banks, according to Oxford Economics, have been resilient and are well-capitalized, profitable and with low levels of non-performing loans. However, their exposure to construction and real estate points to worsening asset quality in the short term as coronavirus concerns take their toll on demand, leading to the recent downgrade in the credit rating outlook on Qatari banks from Moody's. (Gulf-Times.com)

International

- **UK's Sunak plans to raise property tax threshold, cut VAT for hospitality sector –** British Finance Minister Rishi Sunak plans to raise the property tax threshold to as high as 500,000 Pounds ($623,700) and temporarily cut the value-added tax (VAT) in the hospitality sector, in measures to kickstart Britain's economy, The Times reported on Sunday. Sunak will reveal plans this week to lift the threshold at which people start paying stamp duty from 125,000 Sterling to as much as 500,000 Sterling in an attempt to exempt most homebuyers from paying any stamp duty, the newspaper bit.ly/38v57kA reported. According to the report, Sunak's plans will also include a temporary VAT cut for pubs, restaurants and cafés to help to protect 2.4mn jobs in the hospitality sector. Britain's hospitality sector has called for 'urgent' support from Prime Minister Boris Johnson, with around 120 hospitality and tourism bosses signing an open letter asking for aid and investment, BBC reported bbc.in/3ffixnD. Exemption in the stamp duty payment for the planned threshold is for a temporary period and could go up to a year, the report said, citing government sources. Sunak is set to make an announcement on Wednesday on the government's job support schemes and its plans to steer the world's fifth-biggest economy away from its coronavirus lockdown slump which caused a 20% contraction in output in April. (Reuters)
- **UK to double work coaches as lockdown hammers jobs market –** Britain's government will double the number of its job coaches as part of a plan to tackle a rise in unemployment triggered by the coronavirus lockdown, the finance ministry said on Saturday. The number of work coaches at British job centers will double to 27,000 at a cost of 800mn Pounds ($997mn), the ministry said. Finance minister Rishi Sunak is due to announce on Wednesday his next steps for steering the world's fifth-biggest economy away from its lockdown slump which caused a 20% contraction in output in April. The number of people on British employers' payrolls fell by more than 600,000 in April

and May and vacancies plunged by the most on record in the three months to May. The work coaches will give jobseekers personalized support to build skills and improve their employment prospects, the ministry said. Last week, the chief economist of the International Monetary Fund, Gita Gopinath, said Britain should consider increasing its unemployment benefits to help get people into the kind of work that is likely to be in demand after the lockdown. Employers have called on the government to cut their social security contributions and take other measures to help them keep workers on their books after Britain's huge state furlough scheme expires at the end of October. (Reuters)

- **BoE Governor warns lenders of challenges of negative interest rates –** Bank of England (BoE) Governor Andrew Bailey has written a letter to lenders warning them of the challenges of negative interest rates, the Sunday Times newspaper reported. The letter said that negative rates were "one of the potential tools under active review" if the monetary policy committee decided that "more stimulus" was needed to hit the BoE's 2% inflation target, the newspaper reported bit.ly/38tyTq7. It didn't disclose how it gained knowledge of the letter's content. The report said Bailey held a meeting with heads of banks at the end of June and that negative rates were discussed in that meeting in which the governor said "every tool they have is on the table". On negative interest rates, Bailey has previously said that they were an option for the BoE, but that the issue was complex and taking borrowing costs below zero was not in any way imminent. (Reuters)
- **Britain says to put nearly £1.6bn into arts to help survival –** Britain will invest nearly 1.6bn Pounds in cultural institutions and the arts to help a sector that has been crippled by the COVID-19 pandemic and lockdown, Prime Minister Boris Johnson said on Sunday. Theatres, opera houses and ballet companies have been left without a live audience for months. Though English museums and cinemas can re-open with strict social distancing in the latest easing of lockdown which began on Saturday, guidelines still dictate no live performances at theatres or concert halls. That has created an existential crisis for much of the sector, which has been vocal in calling on the government for support. "This money will help safeguard the sector for future generations, ensuring arts groups and venues across the UK can stay afloat and support their staff whilst their doors remain closed and curtains remain down," Johnson said in a statement. The government said the 1.57bn Pound investment was the biggest ever in Britain's culture sector. It said that Britain's museums, art galleries, theatres, independent cinemas, heritage sites and music venues would be protected through emergency grants and loans. The government will consult with figures from Arts Council England, the British Film Institute and other specialist bodies on awarding grants, while it said repayable finance would be issued on affordable terms. (Reuters)
- **PM Johnson to phase out Huawei's 5G role within months –** British Prime Minister Boris Johnson is expected to begin phasing out the use of Chinese tech giant Huawei's technology in Britain's 5G network as soon as this year, The Daily Telegraph reported on Saturday. Officials are drawing up proposals to stop installing new Huawei Technologies equipment in the 5G network in as little as six months, and to speed up the removal of technology that is already in place, the newspaper reported. The move comes after the nation's spy agency GCHQ raised new security fears over Chinese technology. A report prepared by GCHQ's National Cyber Security Centre concludes that new US sanctions on Huawei will force the company to use untrusted technology that could make the risk impossible to control, the newspaper said. The sanctions have had a "severe" impact on the firm that significantly changes GCHQ's calculations, the report said. The report is expected to be presented to Johnson this week. Johnson's spokesman said earlier this week that officials will soon complete a review of the implications of the latest US sanctions, which are aimed at cutting off Huawei's access to US chipmakers. (Reuters)
- **UK minister says Huawei must meet conditions for involvement in 5G network –** China's Huawei has clear conditions to meet for Britain to continue to allow its involvement in the development of 5G telecoms infrastructure, Britain's health minister said on Sunday, after a report that the firm would be banned from the project. Officials are drawing up proposals to stop installing Huawei Technologies equipment in as little as six months, the Sunday Telegraph reported, in a reversal of a decision earlier this year. Asked about the report, health minister Matt Hancock declined to comment on it specifically but said the initial recommendation had always been conditional. "I wouldn't comment on leaks of that kind. What I can say is that when we came out with an interim report on this earlier in the year, there are a number of conditions that needed to be met," he said. "I'm sure that the National Security Council will look at those conditions, and make the right decision on this, to make sure that we have both a very strong telecoms infrastructure… but also that it is secure." Prime Minister Boris Johnson, who in January allowed Huawei a limited role in Britain's 5G network, has faced intense pressure from the US and some British lawmakers to ban the telecommunications equipment maker on security grounds. On Tuesday he toughened his rhetoric on Huawei, warning China he would protect critical infrastructure from "hostile state vendors". Ministers have also cited US sanctions as being likely to have an impact on the viability of Huawei as a 5G provider. (Reuters)
- **Finance ministry pledges funding to triple number of UK traineeships –** Britain will offer its largest ever expansion of traineeships, its finance ministry said on Sunday, ahead of a highly-anticipated update due later in the week on the government's support for the economy through the coronavirus crisis. Finance minister Rishi Sunak has rushed out emergency measures worth an estimated 133bn Pounds since the start of the crisis, mostly to keep people in jobs after many businesses were forced to close due to the COVID-19 lockdown. (Reuters)
- **Banks urge Britain and EU to sort out financial market access –** Britain and the European Union need to make progress on EU financial market access given that the coronavirus crisis will make it even harder to cope with potential disruption if there is no agreement, banking lobby AFME said on Monday. Britain left the EU in January but has full access to the bloc under a transition period that runs until the end of December. London

and Brussels blamed each other last week for missing a June 30 deadline for assessments on financial market access from January. Future direct EU access will depend on whether Brussels deems UK regulation to be "equivalent" to standards in the bloc. Although it is far more limited than current access, without equivalence EU investors would not be able to use financial services in London. AFME said ensuring that EU investors can continue using clearing houses in London needed addressing before the end of September to avoid customers having to move derivatives positions elsewhere. Two-way access in stock and derivatives trading was also needed to avoid disruption, AFME said. AFME called for a formal framework for UK and EU regulators to iron out differences that could jeopardize access. (Reuters)

- **German Economy Minister sees economic recovery from October –** Germany's economy may recover from October onwards from the coronavirus pandemic, Economy Minister Peter Altmaier said in a newspaper interview on Sunday. "I am sure that the downturn of our economy can be stopped after the summer break and that from October onwards, the economy can start growing again in Germany," he told the mass circulation Bild am Sonntag in an interview. While the economy would shrink by 6% in 2020, growth by over 5% would be possible in 2021, Altmaier said. His goal was to reach the level that employment was at before the crisis by 2022, and to start heading for regaining full employment after that date, he said. Altmaier also said that the rate of the spread of the virus in the US was a major concern. "A pandemic that gets out of control there, has big consequences for the world economy," he said. (Reuters)
- **Central Bank: French economy probably bouncing back faster than expected –** The French economy is pulling out of the slump induced by the coronavirus outbreak at least as fast as expected a month ago, and maybe even a little faster, Bank of France Governor Francois Villeroy de Galhau said on Sunday. The central bank estimated last month that the euro zone's second-biggest economy would be operating 12% below normal levels by the end of June, up from a 32% reduction at the start of France's coronavirus lockdown in late March. The Bank of France is due to update its estimate on Tuesday, drawing on responses from a monthly business climate survey of thousands of companies. "The recovery is going at least as well as we expected and perhaps a little better," Villeroy said on LCI television. In June, the central bank forecast the economy had probably contracted 15% in the second quarter. Villeroy said on Sunday that it might be "a bit better". (Reuters)

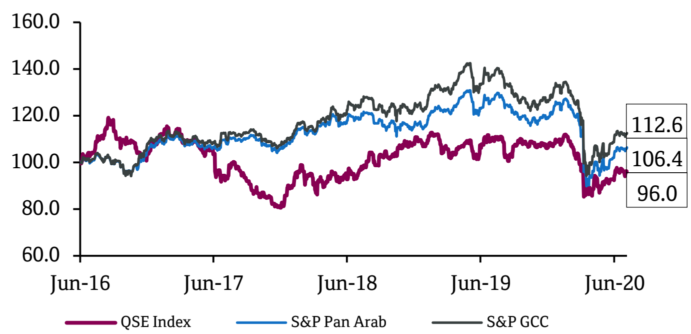
Regional

- **Train linking Gulf states to start running in 2023 –** A $15bn train project connecting GCC states is expected to start operating in 2023, Saudi Arabia's Al-Jazira newspaper reported. The first phase of the Gulf Railway Project, which is expected to be finalized that year, will connect Saudi Arabia, the UAE and Oman, the newspaper said, citing new details on the timetable from the GCC Secretariat. The second phase linking Saudi Arabia, Kuwait and Bahrain in expected to be completed in 2025. (Bloomberg)
- **EY: MENA consumers to stay frugal after COVID-19 pandemic –** An estimated 33% of consumers in the MENA region plan to stay frugal with less spending, make deep cuts to their budgets change the way they shop as a result of the COVID-19 pandemic. These consumers are also pessimistic and worried about the future, according to the EY Future Consumer Index. However, 23% of consumers expect to be back with a bang - a segment that consists of younger consumers who are working and expect to be better off financially over the next year. They are optimistic that they will shop more online in the next one to two years and are willing to pay a premium for high-quality products. In addition, 21% of consumers expect to keep making deep budget cuts and focus on pricing, while 14% will be cautiously extravagant and willing to pay a premium for certain products. Only 8% of consumers surveyed said that their spending is unchanged and that their daily lives were not really affected by the pandemic. (Peninsula Qatar)
- **Novak says no decision yet to extend record OPEC+ cuts –** Russian Energy Minister, Alexander Novak said OPEC+ has not made any decision yet on extending its deepest output cuts beyond July, while signaling a preference for avoiding repeated changes to the group's current plan. "Let's see the situation, technical data, June figures and then the OPEC technical committee will analyze the compliance, the market situation and the outlook," Novak said. Yet Russia, which is taking the biggest burden of the OPEC+ cutbacks along with Saudi Arabia, indicated support for tapering the cuts from August, in line with the group's agreement last month. "I think, it would be good for the market if we changed our decisions as little as possible, at least in the mid-term period, for several months," Novak said. "Then the market would see the situation as more stable." The OPEC+ Joint Ministerial Monitoring Committee is scheduled to gather in mid-July for online talks on the future of the record production cuts. While they have helped boost oil prices from the depths of April, the alliance will also need to work out how a resurgence of new coronavirus cases in the US and elsewhere could hamper a nascent recovery in demand. (Gulf-Times.com)
- **Saudi non-oil private sector shrinks again in June –** Saudi Arabia's non-oil private sector shrank for the fourth straight month in June as measures to contain the spread of the new coronavirus continued to hit consumer demand, a survey showed on Sunday. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) fell to 47.7 in June from 48.1 in May, remaining below the 50.0 mark that separates growth from contraction. "June data highlighted another difficult month for Saudi Arabia's non-oil private sector economy, with cautious business and consumer spending patterns widely reported to have held back new order intakes," said Tim Moore, economics director at survey compiler IHS Markit. The June figure is a setback for the non-oil private sector, which Saudi Arabia's de facto ruler Crown Prince Mohammed bin Salman has put at the center of reforms aimed at diversifying the Kingdom's oil-reliant economy. (Reuters)
- **SAMA: Saudi initiatives to support private sector exceed SR51bn –** Saudi government initiatives to support the financing of the private sector to mitigate the impact of the coronavirus outbreak have exceeded SR51bn, the Saudi Arabia Monetary Authority (SAMA) said. (Reuters)
- **SoftBank governance reforms stop short of Vision Fund –** SoftBank Group Corp has no plans to increase board oversight

of its $100bn Vision Fund, sources said, disregarding calls from activist investor Elliott Management and signaling governance reforms have stopped short of the fund. In recent months Chief Executive, Masayoshi Son has met other Elliott demands, from launching a $23bn buyback - vital to propping up SoftBank's share price - to increasing the number of outside directors including the board's only woman. However even after a disastrous run betting on startups like office-sharing firm WeWork that plunged the Japanese conglomerate to its biggest-ever annual loss, power structures at the Vision Fund remain largely intact. US hedge fund Elliott asked SoftBank to create a subcommittee at board level to oversee and aid the Vision Fund's investment process, sources previously told Reuters. (Reuters)

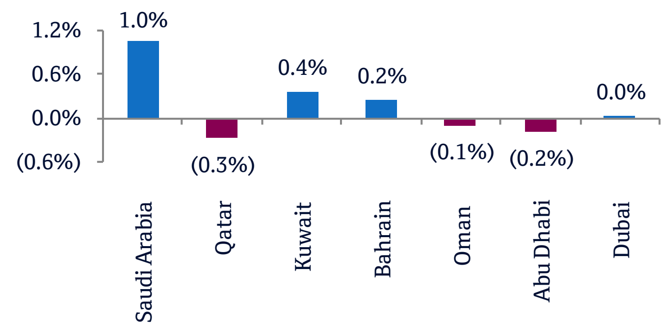
- **SABB sets up local Sukuk program –** The Saudi British Bank (SABB) intends to update and amend its previously established international Sukuk program and set up a local Sukuk program. Through the two Sukuk programs, SABB will issue and offer senior and subordinated Sukuk including the issuance of Tier II capital-eligible Sukuk, in one or more tranches, through one or more issuances, for a private placement or public offering inside or outside of Saudi Arabia, according to a stock exchange statement on Sunday. For the international program, the Sukuk will be issued in US dollars or any other currencies at a maximum value of $5bn, but as for the local program, the Sukuk will be offered in Saudi Riyals at a value not exceeding SR5bn, or their equivalent. The offering, subject to official competent approvals, aims to meet the bank's financial and strategic needs. (Zawya)
- **Allianz Saudi Fransi's rights issue 93.8% subscribed –** Allianz Saudi Fransi Cooperative Insurance Company (Allianz SF) announced that a total of 37.5mn shares of the newly offered shares have been subscribed at a value of SR375.04mn. The company's rights issue was subscribed by 93.76%, according to a stock exchange statement on Sunday. The remaining shares, totaling 2.495mn shares, will be reoffered to a number of institutional investors, where they will submit purchase offers. The remaining shares will be allocated to investment institutions on a pro-rata basis; with priority given to those offering higher prices, provided that the prices are not less than the offering price. The remaining share amount, if any, will be purchased by the underwriter at the offering price. The reoffering process will take place from 7 to 8 July. (Zawya)
- **SHUAA sees opportunities in Saudi Arabia's property market –** Saudi Arabia's property market could offer opportunities for investors even after the double whammy of lower oil prices and the coronavirus, according to the deputy Chief Executive Officer of Dubai-based SHUAA Capital, Mustafa Kheriba. "There's still an immense opportunity for growth in that market," he said. "The opening up of the country will allow investors to deploy capital and make decent returns." Saudi Arabia's economy is being battered by a slump in crude prices this year and from lockdown measures to prevent the spread of Covid-19. Saudi Binladin Group missed some salary payments in April and May as the construction giant reels under the impact of the pandemic and restructures about $15bn of debt, sources said. SHUAA Capital created from a reverse merger with Abu Dhabi Financial Group, operates SHUAA Saudi Arabia, which specializes in asset management, custody and advisory services. It also invests in hospitality real estate developments and mega residential projects in the Kingdom. (Bloomberg)
- **Zain Saudi, Mobily to invite offers for telecom towers –** Mobile Telecommunication Company Saudi Arabia (Zain) has signed a memorandum of understanding (MoU) with Etihad Etisalat Company (Mobily) to form a joint committee from both parties. Companies have formed a joint committee to prepare and offer a request for proposal to purchase the telecommunications towers owned by the two companies, merging them into one company with other investors or operating them on their behalf, according to statements. The offer for the RFP must be prepared within thirty days from the date of signing memorandum of understanding (MoU). (Bloomberg)
- **UAE restructures government, seeking more agility as it deals with coronavirus impact –** The UAE announced a broad government restructuring on Sunday for more "agile and swift" decision-making following the coronavirus pandemic, merging government entities and appointing new economy and industry ministers. The Head of Abu Dhabi's National Oil Company (ADNOC), Sultan Al-Jaber, was named as industry and advanced technology minister and Abdullah al-Marri was appointed Economy Minister. The restructuring was announced by UAE Vice President, Sheikh Mohammed bin Rashid Al-Maktoum. The Energy and Infrastructure ministries were merged under a single portfolio to be headed by current Energy Minister Suhail Al Mazrouei. An ADNOC spokesperson said Al-Jaber would retain his post as ADNOC Chief Executive. "The aim is a government that can more quickly make decisions and deal with changes and more adeptly seize opportunities in dealing with this new stage in our history; a swift and agile government," Sheikh Mohammed said. (Reuters)
- **UAE's non-oil private sector jumps back to growth in June –** The UAE's non-oil private sector grew in June for the first time this year, emerging from months of contraction as coronavirus restrictions were lifted, a survey showed on Sunday. The seasonally adjusted IHS Markit UAE Purchasing Managers' Index (PMI), which covers manufacturing and services, rose to 50.4 in June from 46.7 in May, edging above the 50.0 mark that separates expansion from contraction. "At 50.4 in June, the UAE PMI signaled the first stage of recovery in the non-oil private sector. More firms are now seeing an increase in activity as opposed to a decline, while new orders grew at the fastest rate in ten months," Economist at survey compiler IHS Markit, David Owen said. Output levels grew at their strongest pace since October last year and new orders grew at their fastest since August as demand improved after the easing of lockdown measures. (Reuters)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,772.05	(0.2)	0.0	16.8
Silver/Ounce	18.02	0.3	1.2	0.9
Crude Oil (Brent)/Barrel (FM Future)	42.80	(0.8)	4.3	(35.2)
Crude Oil (WTI)/Barrel (FM Future)	40.65	0.0	5.6	(33.4)
Natural Gas (Henry Hub)/MMBtu	1.64	0.0	17.1	(21.5)
LPG Propane (Arab Gulf)/Ton	46.38	0.0	(2.4)	12.4
LPG Butane (Arab Gulf)/Ton	45.00	0.0	4.0	(32.2)
Euro	1.12	0.1	0.3	0.3
Yen	107.51	0.0	0.3	(1.0)
GBP	1.25	0.1	1.2	(5.8)
CHF	1.06	(0.0)	0.2	2.3
AUD	0.69	0.2	1.1	(1.2)
USD Index	97.17	(0.1)	(0.3)	0.8
RUB	71.43	1.2	2.4	15.2
BRL	0.19	0.9	3.0	(24.4)

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,226.40	(0.1)	3.2	(5.6)
DJ Industrial	25,827.36	0.0	3.2	(9.5)
S&P 500	3,130.01	0.0	4.0	(3.1)
NASDAQ 100	10,207.63	0.0	4.6	13.8
STOXX 600	365.43	(0.7)	2.1	(12.0)
DAX	12,528.18	(0.5)	3.7	(5.2)
FTSE 100	6,157.30	(1.3)	0.9	(23.3)
CAC 40	5,007.14	(0.7)	2.1	(16.1)
Nikkei	22,306.48	0.8	(1.3)	(4.5)
MSCI EM	1,033.09	0.9	3.4	(7.3)
SHANGHAI SE Composite	3,152.81	2.0	6.0	1.9
HANG SENG	25,373.12	1.0	3.4	(9.5)
BSE SENSEX	36,021.42	0.7	3.7	(16.7)
Bovespa	96,764.90	0.2	5.5	(37.0)
RTS	1,235.18	(1.0)	(0.9)	(20.3)

Source: Bloomberg (*$ adjusted returns)

Contacts

Saugata Sarkar, CFA, CAIA
Head of Research
Tel: (+974) 4476 6534
saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian
Senior Research Analyst
Tel: (+974) 4476 6509
shahan.keushgerian@qnbfs.com.qa

Zaid al-Nafoosi, CMT, CFTe
Senior Research Analyst
Tel: (+974) 4476 6535
zaid.alnafoosi@qnbfs.com.qa

Mehmet Aksoy, PhD
Senior Research Analyst
Tel: (+974) 4476 6589
mehmet.aksoy@qnbfs.com.qa

QNB Financial Services Co. W.L.L.
Contact Center: (+974) 4476 6666
PO Box 24025
Doha, Qatar

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNBFS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNB FS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNBFS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNBFS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNBFS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNBFS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNBFS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNBFS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNBFS.

COPYRIGHT: No part of this document may be reproduced without the explicit written permission of QNBFS.