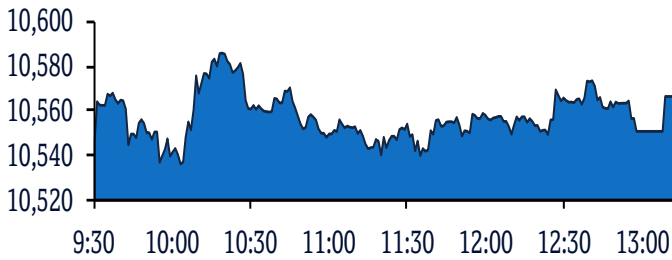


### QSE Intra-Day Movement



### Qatar Commentary

The QE Index declined 0.2% to close at 10,566.5. Losses were led by the Insurance and Telecoms indices, falling 1.1% each. Top losers were Salam International Investment Limited and Qatar Insurance Company, falling 1.9% and 1.4%, respectively. Among the top gainers, Islamic Holding Group gained 5.8%, while Qatari German Company for Medical Devices was up 2.0%.

### GCC Commentary

**Saudi Arabia:** The TASI Index fell 0.1% to close at 8,846.5. Losses were led by the Food & Staples and Consumer Services indices, falling 1.3% and 0.9%, respectively. Alahli Takaful Co. declined 1.6%, while Herfy Food Services Co. was down 1.5%.

**Dubai:** The DFM Index fell 0.2% to close at 2,660.5. The Invest. & Fin. Services index declined 0.7%, while the Services index fell 0.4%. Almadina for Finance and Investment Co. declined 2.6%, while National Central Cooling Co. was down 1.1%.

**Abu Dhabi:** The ADX General Index gained 0.2% to close at 4,999.5. The Real Estate index rose 2.5%, while the Investment & Financial Services index gained 0.9%. Eshraq Investments rose 2.8%, while Al Dar Properties was up 2.7%.

**Kuwait:** The Kuwait All Share Index gained 0.5% to close at 5,950.5. The Real Estate index rose 1.5%, while the Banks index gained 0.7%. Tamdeen Real Estate Company rose 17.2%, while Kuwait Remal Real Estate Company was up 5.9%.

**Oman:** The MSM 30 Index fell 0.1% to close at 3,822.6. Industrial index declined 0.2%, while the Financial index fell marginally. Oman Chlorine fell 3.1%, while Galfar Engineering and Con. was down 1.3%.

**Bahrain:** The BHB Index gained 0.8% to close at 1,511.2. The Commercial Banks index rose 1.4%, while the Insurance index gained 1.1%. Bahrain Kuwait Insurance Company rose 3.3%, while Esterad Investment Company was up 2.9%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Islamic Holding Group	2.54	5.8	1,319.2	16.2
Qatari German Co for Med. Devices	0.78	2.0	10,611.5	37.3
Doha Insurance Group	1.21	1.7	0.5	(7.6)
Ezdan Holding Group	0.74	1.5	26,395.1	(43.1)
Qatar Oman Investment Company	0.57	1.1	22.7	6.4

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.74	1.5	26,395.1	(43.1)
Qatari German Co for Med. Devices	0.78	2.0	10,611.5	37.3
Qatar First Bank	0.41	(0.5)	6,840.9	(0.2)
Mesaieed Petrochemical Holding	2.61	0.0	3,236.0	73.7
Investment Holding Group	0.59	0.5	2,510.8	20.4

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,566.52	(0.2)	1.2	1.1	2.6	42.01	159,871.4	14.8	1.6	4.1
Dubai	2,660.53	(0.2)	1.3	0.1	5.2	41.73	96,200.7	11.8	1.0	4.6
Abu Dhabi	4,999.46	0.2	0.2	0.4	1.7	34.05	138,964.5	14.8	1.5	5.0
Saudi Arabia	8,846.53	(0.1)	0.6	0.3	13.0	584.54	555,603.4	19.7	2.0	3.4
Kuwait	5,950.47	0.5	2.4	2.0	17.1	195.21	112,538.0	16.8	1.5	3.3
Oman	3,822.59	(0.1)	(1.8)	(1.6)	(11.6)	1.92	16,769.6	7.5	0.8	7.2
Bahrain	1,511.20	0.8	2.9	2.7	13.0	14.50	23,547.5	11.1	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	04 July 19	03 July 19	%Chg.
Value Traded (QR mn)	153.7	169.4	(9.3)
Exch. Market Cap. (QR mn)	581,985.5	582,843.1	(0.1)
Volume (mn)	70.6	53.6	31.8
Number of Transactions	4,874	4,204	15.9
Companies Traded	45	43	4.7
Market Breadth	18:20	17:19	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,443.28	(0.2)	1.2	7.2	14.8
All Share Index	3,125.36	(0.1)	1.1	1.5	14.8
Banks	4,108.68	(0.0)	1.7	7.2	14.3
Industrials	3,248.13	(0.4)	(0.1)	1.0	16.4
Transportation	2,508.78	(0.2)	(2.1)	21.8	13.5
Real Estate	1,566.04	0.7	2.5	(28.4)	13.1
Insurance	3,095.25	(1.1)	0.0	2.9	17.9
Telecoms	924.76	(1.1)	2.1	(6.4)	19.0
Consumer	8,163.49	(0.1)	0.8	20.9	15.9
Al Rayan Islamic Index	4,088.90	(0.2)	0.7	5.3	14.0

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Ahli United Bank	Kuwait	0.33	3.1	3,579.2	16.0
Aldar Properties	Abu Dhabi	1.94	2.6	8,850.5	21.3
Ahli United Bank	Bahrain	0.92	2.2	5,028.9	46.9
Mabane Co.	Kuwait	0.73	1.4	932.6	27.3
Bahrain Telecom. Co.	Bahrain	0.38	1.3	474.2	37.1

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
DP World	Dubai	15.70	(1.9)	2,118.4	(8.2)
Qatar Insurance Co.	Qatar	3.51	(1.4)	881.8	(2.2)
Yanbu National Petro. Co.	Saudi Arabia	61.00	(1.3)	689.5	(4.4)
Bank Al Bilad	Saudi Arabia	26.70	(1.1)	826.6	22.5
Saudi Arabian Fertilizer	Saudi Arabia	90.00	(1.1)	169.3	16.7

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%
Salam International Inv. Ltd.	0.42	(1.9)	2,346.6	(3.0)
Qatar Insurance Company	3.51	(1.4)	881.8	(2.2)
Vodafone Qatar	1.40	(1.1)	1,002.1	(10.4)
Ooredoo	6.81	(0.9)	1,716.1	(9.2)
Qatar Navigation	64.30	(0.9)	42.7	(2.6)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Industries Qatar	11.48	(0.6)	19,771.6	(14.1)
Ezdan Holding Group	0.74	1.5	19,492.2	(43.1)
QNB Group	19.28	(0.1)	19,289.2	(1.1)
Ooredoo	6.81	(0.9)	11,841.2	(9.2)
Mesaieed Petrochemical Holding	2.61	0.0	8,435.9	73.7

Source: Bloomberg (\* in QR)

## Qatar Market Commentary

- The QE Index declined 0.2% to close at 10,566.5. The Insurance and Telecoms indices led the losses. The index fell on the back of selling pressure from Qatari and GCC shareholders despite buying support from non-Qatari shareholders.
- Salam International Investment Limited and Qatar Insurance Company were the top losers, falling 1.9% and 1.4%, respectively. Among the top gainers, Islamic Holding Group gained 5.8%, while Qatari German Company for Medical Devices was up 2.0%.
- Volume of shares traded on Thursday rose by 31.8% to 70.6mn from 53.6mn on Wednesday. However, as compared to the 30-day moving average of 155.3mn, volume for the day was 54.5% lower. Ezdan Holding Group and Qatari German Company for Medical Devices were the most active stocks, contributing 37.4% and 15.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	40.12%	37.97%	3,307,316.32
Qatari Institutions	17.74%	24.61%	(10,552,764.65)
<b>Qatari</b>	<b>57.86%</b>	<b>62.58%</b>	<b>(7,245,448.33)</b>
GCC Individuals	1.62%	1.94%	(497,466.56)
GCC Institutions	2.88%	8.15%	(8,091,026.60)
<b>GCC</b>	<b>4.50%</b>	<b>10.09%</b>	<b>(8,588,493.16)</b>
Non-Qatari Individuals	13.20%	13.71%	(781,618.72)
Non-Qatari Institutions	24.43%	13.62%	16,615,560.21
<b>Non-Qatari</b>	<b>37.63%</b>	<b>27.33%</b>	<b>15,833,941.49</b>

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

## Global Economic Data and Earnings Calendar

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/04	Germany	Markit	Markit Germany Construction PMI	June	50.0	-	51.4

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

### Earnings Calendar

Tickers	Company Name	Date of reporting 2Q2019 results	No. of days remaining	Status
QNBK	QNB Group	10-Jul-19	3	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	10-Jul-19	3	Due
WDAM	Widam Food Company	15-Jul-19	8	Due
MARK	Masraf Al Rayan	15-Jul-19	8	Due
QGMD	Qatari German Company for Medical Devices	16-Jul-19	9	Due
IHGS	Islamic Holding Group	16-Jul-19	9	Due
QFLS	Qatar Fuel Company	17-Jul-19	10	Due
QIBK	Qatar Islamic Bank	17-Jul-19	10	Due
QIIK	Qatar International Islamic Bank	17-Jul-19	10	Due
ERES	Ezdan Holding Group	18-Jul-19	11	Due
ABQK	Ahli Bank	18-Jul-19	11	Due
NLCS	Aljjarah Holding	18-Jul-19	11	Due
GWCS	Gulf Warehousing Company	21-Jul-19	14	Due
QIGD	Qatari Investors Group	22-Jul-19	15	Due
UDCD	United Development Company	24-Jul-19	17	Due
QGRI	Qatar General Insurance & Reinsurance Company	24-Jul-19	17	Due
DHBK	Doha Bank	24-Jul-19	17	Due
AKHI	Al Khaleej Takaful Insurance Company	25-Jul-19	18	Due
QIMD	Qatar Industrial Manufacturing Company	25-Jul-19	18	Due
ORDS	Ooredoo	29-Jul-19	22	Due
DOHI	Doha Insurance Group	31-Jul-19	24	Due

Source: QSE

## Stock Split Dates for Listed Qatari Companies

Day / Date	Company Symbols			Sector
	1	2	3	
Sunday 09/06/2019	CBQK	QFBQ		Banking and Financial Services
Monday 10/06/2019	KCBK	DBIS	QOIS	
Tuesday 11/06/2019	QIHK	NLCS		
Wednesday 12/06/2019	QNBK	ABQK	IHGS	
Thursday 13/06/2019	QIBK	DHBK		
Sunday 16/06/2019	MARK			Consumer Goods & Services
Monday 17/06/2019	MERS	MCCS		
Tuesday 18/06/2019	WDAM	ZHCD	QGMD	
Wednesday 19/06/2019	QFLS	MCGS		
Thursday 20/06/2019	SIIS	QCFS		
Sunday 23/06/2019	MPHC	IGRD		Industrial
Monday 24/06/2019	QIGD	AHCS	QNCD	
Tuesday 25/06/2019	IQCD	QIMD		
Wednesday 26/06/2019	QEWS	GISS		Insurance
Thursday 27/06/2019	QISI	QATI		
Sunday 30/06/2019	DOHI	QGRI	AKHI	Real Estate
Monday 01/07/2019	BRES	ERES		
Tuesday 02/07/2019	UDCD	MRDS		Telecoms
Wednesday 03/07/2019	VFQS	ORDS		
Thursday 04/07/2019	QGTS	GWCS	QNNS	Transport/Logistics
Sunday 07/07/2019	QETF	QATR	QAMC	ETFs and QAMCO

Source: QSE

## News

### Qatar

- **QSE executes share splits for QNNS** – Qatar Stock Exchange (QSE) announced that the split of shares for Qatar Navigation (QNNS) has been executed, effective from July 07, 2019. The new number of QNNS' shares after the split is 1,145,252,000 and the adjusted closing price of QR6.43 per share. QSE also sets price limits, (i) Price up limit: QR7.07 and (ii) Price down limit: QR5.79. (QSE)
- **QSE executes share splits for GWCS** – Qatar Stock Exchange (QSE) announced that the split of shares for Gulf Warehousing Company (GWCS) has been executed, effective from July 07, 2019. The new number of GWCS' shares after the split is 586,031,480 and the adjusted closing price of QR4.95 per share. QSE also sets price limits, (i) Price up limit: QR5.44 and (ii) Price down limit: QR4.46. (QSE)
- **QSE executes share splits for QGTS** – Qatar Stock Exchange (QSE) announced that the split of shares for Qatar Gas Transport Company Limited (QGTS) has been executed, effective from July 07, 2019. The new number of QGTS' shares after the split is 5,540,263,600 and the adjusted closing price of QR2.26 per share. QSE also sets price limits, (i) Price up limit: QR2.48 and (ii) Price down limit: QR2.04. (QSE)
- **UDCD to disclose 2Q2019 financial statements on July 24** – United Development Company (UDCD) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 24, 2019. (QSE)
- **QIMD changes the date of disclosure of 2Q2019 financial statements to July 25** – Qatar Industrial Manufacturing Company (QIMD) announced the change of the disclosure date of its 2Q2019 financial statements for the period ending June 30, 2019 to July 25, 2019 from the earlier date of July 31, 2019. (QSE)
- **QBC embraces Ooredoo's IoT solution for fleet management** – Ooredoo, the region's leading enabler of digital business

innovation, has announced that Qatar Building Company (QBC) is embracing the innovative Internet of Things (IoT) enabled by Ooredoo Fleet Management. One of Qatar's largest and innovative construction companies, QBC will digitally transform with Ooredoo's Fleet Management solution for real-time visibility across more than 1,000 vehicles. Using Ooredoo Fleet Management, QBC can optimize costs, productivity of vehicles, maintenance, and enhance safety and customer experiences. Ooredoo Qatar's CEO, Yousuf Abdulla Al Kubaisi said, "Our Ooredoo Fleet Management solution for Qatar Building Company shows that the Internet of Things is moving from theory to reality, enabling digital transformation and strong business benefits. We are committed to driving Qatar's nationwide digital transformation and supporting new levels of Internet of Things, enabling innovation in the fast-paced construction sector." (Qatar Tribune)

- **Over QR9.5bn real estate deals recorded in five months this year** – Qatar's real estate market has delivered strong performance in the first five months of this year. The real estate sector has witnessed deals valuing more than QR9.5bn during January-May 2019, according to the data of Planning and Statistics Authority, which showed the sector remains attractive for investors. Maximum number of deals in during the period was for vacant plots of land. Among the municipalities, Doha municipality was the most sought as it witnessed highest number of deals in the country. A total of 1,754 transactions were registered in the first five months of this year. January was the busiest month for the real estate sector as 402 deals were recorded during the month while April registered deals worth QR2.99bn, making it the month with the highest value of deals in the first five months of this year. Real estate market in Qatar has evolved over the years with initiatives taken by the government to improve transparency, ownership regulations and overall participation. (Peninsula Qatar)

- Qatar's \$200bn dash to World Cup hits a construction cliff** – Qatar is experiencing economic whiplash as it winds down \$200bn of infrastructure works to prepare for the 2022 soccer World Cup. Construction shrank 1.2% from a year earlier in the first three months of 2019, contracting for the first time since the data series began, according to Qatar's Planning and Statistics Authority. Before the decline, it grew at an annual average of 18% a quarter since the end of 2012. The downturn is increasingly putting the brakes on the broader economy, with output excluding oil and gas extraction rising less than 2% in the last six months, figures released showed. Qatar's GDP has jumped 10-fold since 2000 to \$192bn last year, according to the World Bank. Builders have raced ahead at a breakneck pace since 2010, when the small peninsular nation unexpectedly won the rights to host the world's most watched sporting event. The Gulf state seized the chance to upgrade its infrastructure, building roads, metro lines and thousands of hotel rooms. Construction surged over 30% at the start of 2015. (Bloomberg)
- Qatar, UK trade volume up 3.6% to reach \$2.9bn in 2018** – Trade volume between Qatar and the UK stood at around \$2.9bn in 2018, according to Qatar Chamber's Chairman, Sheikh Khalifa bin Jassim Al-Thani, who led a delegation to London recently. Qatar Chamber participated in the joint Arab-British Economic Summit held at the Queen Elizabeth II Centre in London, organized jointly by the Union of Arab Chambers, the Arab-British Chamber of Commerce, and the League of Arab States. The summit focused on the topics that are most relevant to British and Arab business where a wide range of emerging projects are being developed within the Arab world and the broad scope on the British side for deepening cooperation ties between the two sides. Sheikh Khalifa noted that Qatari investments in Britain play an important role in the British economy. The strategic partnership in the energy sector through South Hook and South Hook Gas is an important factor in enhancing cooperation relations. Sheikh Khalifa said trade volume in 2018 saw a 3.6% growth compared to the \$2.8bn figure recorded in 2017. He said there are 675 Qatari-British companies operating in the Qatari market covering various economic sectors. There are also 50 British companies with 100% ownership in the Qatari market in various sectors, such as decoration, services, energy, consulting, technology, education, and health. (Gulf-Times.com)
- GECF LNG exporters to benefit from US-China trade war** – The Doha-based Gas Exporting Countries Forum (GECF) is seeing huge opportunities for its LNG exporting member-countries to secure new demand in 2019-2020, as China has practically blocked US LNG shipments in its fast-growing market by introducing a 25% tariff. In May, China stated it would boost the tariff on the US LNG to 25% starting June 1 versus the then rate of 10%. The move came in retaliation for a US increase in tariffs on \$200bn in Chinese goods to 25% from 10%. On the impact on the international gas trade and implications for the GECF, Alexander Apokin, Energy Economics Analyst at the GECF's Energy Economics and Forecasting Department (EEFD) noted, "From 2019 to 2020, when the tariffs could be still active, Chinese LNG imports are expected to grow by 25 Mt, or 18.75% of the 2018 global imports. Tariffs would prevent US LNG from taking that niche, despite the rapid buildup of new LNG capacity. The increase in other Asia Pacific LNG imports is projected to be much less, at 5 Mt in 2019-2020, as Japan and Korea demand is stagnant, and the new US LNG will compete with new projects from Australia and Russia, in addition to existing players." (Peninsula Qatar)
- QFCRA to issue public censure against Chairman of GWMQ** – Qatar Financial Centre Regulatory Authority (QFCRA) has decided to issue a public censure against Vincent Jones, the Chairman and Independent Director of Guardian Wealth Management Qatar (GWMQ), an insurance intermediary that is now under liquidation. The regulatory authority's decision to censure him comes under Article 58 of the Financial Services Regulations because his conduct reportedly fell below the Principles of Conduct for an Approved Individual performing the non-executive governance function. Jones had provided evidence of significant mitigating circumstances, in the absence of which the regulatory authority would have imposed a financial penalty of \$75,000 and a two-year prohibition. According to the QFCRA, the individual failed to act with due skill, care and diligence in relation to his oversight of the GWMQ's compliance with the Governance and Controlled Functions Rules 2012, particularly failure in establishing an appropriate corporate governance framework; reviewing the GWMQ risk management and internal controls framework appropriately and with sufficient frequency; and ensuring that GWMQ's business was financially sound and maintained transparency and disclosure. The QFCRA also noted that Jones failed to deal with the regulatory authority in an open and cooperative manner and disclosing appropriately to it any information that the QFCRA would reasonably expect notice. (Gulf-Times.com)
- Qatar Holding discloses 3.65% voting rights in Airtel Africa** – Qatar Holding now has 3.65% voting rights in Airtel Africa, according to a filing. The 3.65% voting rights has attached to shares. (Bloomberg)
- Sparrows Group wins first rigging maintenance contract in Qatar** – Sparrows Group has been awarded their first contract for the provision of rigging loft maintenance services in Qatar. The four-year contract includes the provision of services for the refurbishment, repair, load test and recertification of rigging lofts and contents. Management of the equipment will also include six-monthly rigging loft change-outs, provision of replacement or new equipment and ensuring availability of properly certified equipment as required offshore. In order to service the work, the company has established a new rigging loft management workshop within its Qatar facility with investment into new machinery and other office equipment. It has also created job opportunities locally as around seven new positions are required within the workshop. (Zawya)

#### International

- US job growth surges, July rate cut expectations intact** – The US job growth rebounded strongly in June, with government payrolls surging, but persistent moderate wage gains and mounting evidence the economy was losing momentum could still encourage the Federal Reserve to cut interest rates this month. Nonfarm payrolls increased by 224,000 jobs last month as government employment rose by the most in 10 months, and construction and manufacturing hiring regained speed. The

economy created only 72,000 jobs in May. Economists polled by Reuters had forecasted payrolls rising 160,000 in June. Job growth averaged 172,000 per month in the first half. Hiring has cooled from an average of 223,000 jobs per month in 2018, in part as the economy runs out of workers. The pace, however, remains well above the roughly 100,000 needed to keep up with growth in the working age population. However the strong pace of job gains reduced the chances of a half percentage point rate cut at the end of the month. The US central bank in June signaled it could ease monetary policy as early as this month citing low inflation and growing risks to the economy from an escalation in trade tensions between Washington and Beijing. (Reuters)

- **QNB Group: G20 summit provides insights on tackling global issues** – Trade war, oil prices, climate change and a trade deal between the EU and Mercosur were the four main takeaways observed from the recently concluded G20 summit in Osaka, Japan, according to QNB Group. The summit provided insights to what extent membership countries and their leaders are working together on an agenda of major global issues QNB Group stated in its weekly commentary. The summit was important as it came at a time when global economic growth is already slowing, it stated. “We observed four main takeaways from the meeting relating to the trade war, oil prices, climate change and a trade deal between the EU and Mercosur,” QNB Group stated. Mercosur is the southern Common Market, which now comprises Argentina, Brazil, Paraguay and Uruguay. (Gulf-Times.com)
- **UK economy shows slowdown signs as recruiters, shoppers turn wary** – British employers and shoppers are turning increasingly cautious, indicators showed, suggesting two of the drivers of the economy during the Brexit crisis are losing momentum. In a week when business surveys pointed to a contraction in overall output in the second quarter, the latest signals from Britain’s boardrooms and high streets underscored the extent of the slowdown following a strong start to 2019. That was when many companies were rushing to prepare for the original Brexit deadline in March. The latest figures showed that the subsequent slowdown in the economy was not just payback for the stockpiling surge. The number of people hired for permanent jobs via recruitment firms in Britain fell for a fourth month in a row in June, recruitment industry group REC stated. The figures represented a stark contrast to the robust hiring activity in 2018. (Reuters)
- **ONS: UK labor costs grow by more than 2% again** – Growth in British unit labor costs, a early signal of inflation pressures ahead, slowed to 2.1% in the first three months of 2019 but it was the sixth quarter in a row when costs grew by more than 2% in annual terms. British employers have been on a hiring spree recently, pushing up pay for workers at the quickest pace in a decade, one of the few bright spots for the economy ahead of its departure from the European Union. Many economists have linked the jobs boom to uncertainty about Brexit which has made employers favour hiring workers — who can be laid off quickly — over longer-term commitments to investing in equipment. The Office for National Statistics (ONS) stated the 2.1% increase in labor costs in the January-March period was weaker than a rise of 3.1% in the fourth quarter of last year. The

ONS also confirmed preliminary data showing a weak picture for productivity in early 2019. Britain’s poor productivity record poses a risk to the country’s long-term growth prospects. Output per hour fell by an annual 0.2% in the January-March period for its third straight fall, the longest such run since 2013 when Britain was struggling to emerge from the hangover of the global financial crisis. (Reuters)

- **Halifax: UK house prices pick up a bit more speed** – British house prices rose at the fastest annual rate since early 2017 in the three months to the end of June, mortgage lender Halifax stated, adding to other signs that the housing market has stabilized after weakening on Brexit worries. House prices were up by 5.7% in the three months to June compared with the same period a year ago after rising by 5.2% in the three months to May, Halifax stated. A Reuters poll of economists had pointed to a 5.9% rise. Halifax cautioned that the annual increase was flattered by weak price growth in the corresponding period in 2018. In monthly terms, prices fell by 0.3% after a rise of 0.4% in May. (Reuters)
- **Drop in German industrial orders bodes ill for coming months** – German industrial orders fell far more than expected in May, and the Economy Ministry warned that this sector of Europe’s largest economy was likely to remain weak in the coming months. Contracts for ‘Made in Germany’ goods were down by 2.2% on the month after rising slightly in March and April, data from the Economy Ministry showed. The reading undershot the Reuters consensus forecast for a 0.1% decline. “The great order book deflation continues. Devastating new orders data just undermined any hopes for an industrial rebound,” ING economist Carsten Brzeski said. Other recent data have painted a gloomy picture of the sector too, with engineering orders falling and activity in the manufacturing sector contracting. (Reuters)
- **Japan’s household spending rises the most in four years in hopeful sign for economy** – Household spending in Japan rose at the fastest pace in four years in May, in a sign improving domestic demand will offer some support for an economy facing growing external pressure. A recovery in private consumption is seen as vital in Japan’s fight against deflation, which has made companies reluctant to pass on rising costs to households. Household spending grew 4.0% in May from a year earlier thanks to Japan’s 10-day holiday, government data showed. It rose at the fastest pace since May 2015 and was much stronger than the median forecast for a 1.6% increase. From the previous month, it rose 5.5% for the month, which compared with a 1.4% contraction in April and the median estimate for a 1.2% gain. (Reuters)
- **India forecasts GDP growth will edge up to 7% this year, sees fiscal challenges** – India’s government forecasted that economic growth could get back up to 7% percent this year, but cautioned it will face challenges keeping its fiscal deficit in check. The views were expressed in an annual economic survey presented to parliament one day before Finance Minister Nirmala Sitharaman presents the budget for the fiscal year that ends in March 2020. India’s growth cooled to 6.8% in the year that ended on March 31, its slowest rate of expansion in five years. (Reuters)

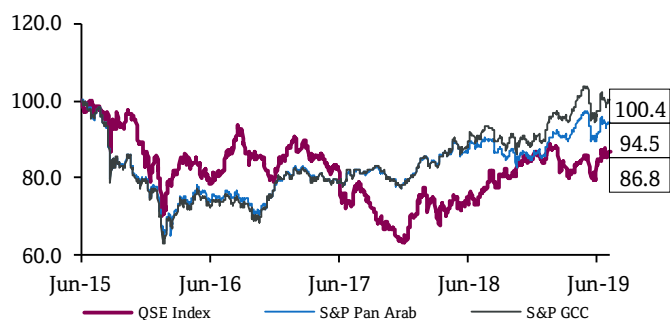
## Regional

- **OPEC output hits new low on Trump's sanctions, supply pact** – OPEC oil output sank to a new five-year low in June as a rise in Saudi Arabian supply did not offset losses in Iran and Venezuela due to US sanctions and other outages elsewhere in the group, a Reuters survey found. The 14-member OPEC pumped 29.60mn barrels per day (bpd) last month, the survey showed, down 170,000 bpd from May's revised figure and the lowest OPEC total since 2014, the survey showed. The Reuters survey suggests that even though Saudi Arabia is raising output following pressure from US President, Donald Trump to bring down prices, the Kingdom is still voluntarily pumping less than an OPEC-led supply deal allows it to. (Reuters)
- **IATA: Middle East carriers' passenger demand growth decelerates to 0.8% in May** – Middle East carriers' passenger demand growth decelerated to 0.8% in May compared to a year ago, from 3.3% annual growth recorded in April, IATA stated. This partly reflects the impact of the structural changes that are underway in the industry in the region. May capacity plunged 6.1%, and load factor soared 5 percentage points to 73.0%. Asia-Pacific airlines saw their traffic rise 4% in May compared to the year ago period, an improvement over the 2.9% increase in April. Capacity increased 3%, and load factor edged up 0.8 percentage point to 78.6%. This is the second consecutive monthly increase in demand, however, it still represents a soft outcome in a region that regularly saw double digit growth rates over the past few years. The US-China trade tensions continue to weigh upon growth in the region. (Gulf-Times.com)
- **OPEC output deal seen leaving door open for shale drillers in US** – OPEC's decision to extend output curbs by nine months and it is impossible to reach inventories target is leaving the door open for US shale producers to grab more market share, according to Goldman Sachs Group Inc. Saudi Arabian Energy Minister, Khalid Al-Falih's acknowledgement that the cuts would make room for American shale to grow until it peaked and declined was surprising, analysts including Damien Courvalin wrote in a note. The group's target for reducing OECD crude inventories would require more than doubling the size of the current reductions, they wrote. "OPEC is committing to a large and long cut with an elusive inventory target however, with no exit strategy," the analysts wrote. "The acknowledgements that the cuts are to compensate for shale growth rather than weak demands imply a policy that will seek to keep prices above marginal costs." (Gulf-Times.com)
- **Real estate sales grew 7.7% MoM during the tenth month of the Hijri year** – Saudi Arabia's Ministry of Justice published aggregated data on real estate transactions in all of the Kingdom's administrative regions for the tenth month of Hijri year 1440 starting June 4, 2019 and ending July 3, 2019, which showed that sales grew 7.7% MoM during the tenth month of the Hijri year, which follows month of Ramadan. Recovery from the usually weaker month of Ramadan was the strongest on record. Sales fell 23%, 8%, 20%, 28% and 33%, in the same month one, two, three, four, and five years ago, respectively. Sales totaled SR11.7bn as compared to SR7.8bn in the same month a year ago. Sales rose from SR10.9bn in the previous month ending June 3, 2019. Residential sales came in at SR9.1bn as compared to SR6.6bn in the same month a year ago. Residential sales were SR7.2bn in the previous month ending June 3, 2019. (Bloomberg)
- **Saudi Arabia keeps its oil output steady in June** – Saudi Arabia has pumped 9.782mn barrels of oil per day (bpd) in June, an OPEC source said, up from 9.67mn bpd in May. Saudi Arabia kept its crude production below its output target of 10.3mn bpd under an OPEC-led global oil reduction pact, to reduce inventories and support prices. OPEC and its allies led by Russia have agreed to extend oil output cuts until March 2020, as the global economy weakened and US production has soared. (Reuters)
- **UAE seeks to invest in Indonesia's renewable energy** – UAE is keen in investing in renewable energy in Indonesia, according to Energy Minister, Suhail Al Mazrouei. "We have the technology and willing to come to Indonesia," he said after meeting Indonesia's Energy Minister, Ignasius Jonan. The country seeks to further discuss investment in oil and gas fields with Indonesia's state oil company PT Pertamina. UAE wants to increase oil and gas production in Indonesia. Indonesia wants UAE to also invest in non-energy sectors such as tourism, infrastructure, finance and provide funding for small-medium size businesses, Ignasius Jonan said. Indonesia eyes more than \$5bn investment by the UAE, Ignasius Jonan said. (Bloomberg)
- **UAE's Etihad Rail to seek about \$2bn in financing** – Etihad Rail, the developer and operator of the UAEs' national rail network, is expected to approach banks for about \$2bn to help finance the expansion of the network, banking sources said. The UAE, which launched the first phase of its rail project in 2016, plans to have a network with 1,200 km (750 miles) of track costing about \$11bn, running from the border with Saudi Arabia to Fujairah Emirate on the Gulf of Oman. The new debt would most likely be a corporate loan, rather than project financing, sources said. Etihad Rail is owned 70% by the Abu Dhabi government and 30% by the UAE federal government. The first phase of the UAE rail project was built to transport granulated sulphur. The broader project aims to offer freight and passenger services across the country. (Reuters)
- **Kuwait fans out to Australia and Canada in global gas push** – Kuwait plans to boost production from Canadian shale deposits by two thirds and increase output of natural gas in Australia as the OPEC member ramps up efforts to find and develop overseas deposits of the fuel. The international upstream arm of state-owned Kuwait Petroleum Corp sees output of almost 20,000 barrels of oil equivalent a day at its Canadian shale gas project by year-end, up from 12,000 currently, acting CEO, Sheikh Nawaf Saud al-Sabah said. "It will rise to about 60,000 or so once we fully develop it, which will be in the mid-2020s," he said. "We're just beginning to understand its potential." In Australia, the company known as KUFPEC won exploration rights to three new blocks in February and April. It's producing almost 40,000 barrels of oil equivalent a day in that country and aims to raise output and produce more liquefied natural gas for export, he said, without specifying targets. Kuwait has long planned to increase its global capacity to produce gas as well as oil. The Gulf nation currently can pump as much as 3mn barrels a day of crude from its wholly owned fields, and KPC targets a daily capacity of 4mn by next year. As a member of the OPEC, however, Kuwait has pledged to cap its oil output as the group

seeks to balance the market and prop up crude. (Gulf-Times.com)

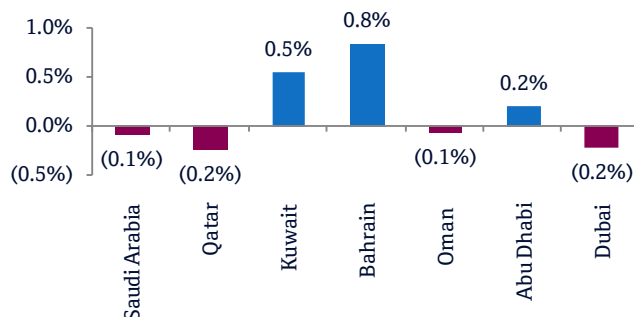
- **IMF slashes Oman's 2019 economic growth forecast to 0.3% –** The International Monetary Fund (IMF) has cut Oman's 2019 economic growth forecast to 0.3% from 1.1% as OPEC-led production curbs slash oil-related growth among Gulf energy producers. The forecast comes after Saudi Arabia stated on June 30 that its first-quarter rate of economic growth shrank by more than half on a quarterly basis. In lowering Oman's expected real GDP growth rate to 0.3% from 1.1% the IMF stated that it expects its oil GDP to decrease by 1.1% against April's estimate of a 0.6% contraction, it stated. A rebound in crude prices helped Oman's overall gross domestic product grow 2.2% last year, however, its debt rose and some fiscal reforms were delayed, the IMF stated. Fiscal deficit is estimated at about 9% of GDP last year from 13.9% in 2017, a reflection of higher oil revenues; gross government debt rose to 53.5% of GDP. Preliminary data show current-account deficit dropped by about 10.5 percentage points of GDP to 4.7% of economic output, thanks to increase in exports combined with an estimated decline in imports. "Given the challenging external environment and regional uncertainty, Directors thus called for a deeper fiscal adjustment to maintain confidence and ensure fiscal and external sustainability, coupled with continued structural reforms to diversify the economy, improve productivity and enhance private sector led growth." (Reuters, Bloomberg)
- **Iraq and Oman plan cooperation in oil and gas sector –** Iraq and Oman have signed a memorandum of understanding (MoU) to cooperate in the oil and gas sector, including the possibility of building a shared refinery in Oman for processing imported Iraqi crude, the Iraqi oil ministry stated. Iraq will aim to export crude to Oman, according to the MoU, import oil products from there and build oil storage facilities in both countries, the statement quoted Iraqi Oil Minister, Thamer Ghadhban. "The MoU aims at studying the possibility of building a shared oil refinery in the Sultanate of Oman to process the crude oil imported from Iraq," he said. The two countries will also explore prospects of cooperation and investment in exploring and producing oil and gas. In addition to refining, manufacturing, storing and marketing crude oil and oil products between them, the ministry stated. (Reuters)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,399.25	(1.2)	(0.7)	9.1
Silver/Ounce	15.00	(1.9)	(2.1)	(3.2)
Crude Oil (Brent)/Barrel (FM Future)	64.23	1.5	(3.5)	19.4
Crude Oil (WTI)/Barrel (FM Future)	57.51	0.3	(1.6)	26.6
Natural Gas (Henry Hub)/MMBtu <sup>#</sup>	2.29	0.0	(5.4)	(28.2)
LPG Propane (Arab Gulf)/Ton <sup>#</sup>	47.50	0.0	(1.6)	(25.2)
LPG Butane (Arab Gulf)/Ton <sup>#</sup>	43.00	0.0	3.0	(38.6)
Euro	1.12	(0.5)	(1.3)	(2.1)
Yen	108.47	0.6	0.6	(1.1)
GBP	1.25	(0.5)	(1.4)	(1.8)
CHF	1.01	(0.7)	(1.6)	(1.0)
AUD	0.70	(0.6)	(0.6)	(1.0)
USD Index	97.29	0.5	1.2	1.2
RUB	63.81	0.5	0.9	(8.5)
BRL	0.26	(0.6)	0.7	1.6

Source: Bloomberg (<sup>#</sup>Market was closed on July 05, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,205.57	(0.4)	1.2	17.1
DJ Industrial	26,922.12	(0.2)	1.2	15.4
S&P 500	2,990.41	(0.2)	1.7	19.3
NASDAQ 100	8,161.79	(0.1)	1.9	23.0
STOXX 600	390.11	(1.3)	0.1	13.2
DAX	12,568.53	(1.0)	0.1	16.7
FTSE 100	7,553.14	(1.2)	0.2	10.2
CAC 40	5,593.72	(1.0)	(0.3)	15.8
Nikkei	21,746.38	(0.5)	1.6	10.5
MSCI EM	1,059.92	(0.4)	0.5	9.7
SHANGHAI SE Composite	3,011.06	(0.1)	0.7	20.5
HANG SENG	28,774.83	(0.2)	1.0	11.9
BSE SENSEX	39,513.39	(1.0)	0.8	11.4
Bovespa	104,089.50	(0.3)	3.5	20.1
RTS	1,398.75	(0.9)	1.3	30.9

Source: Bloomberg (\*\$ adjusted returns)

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