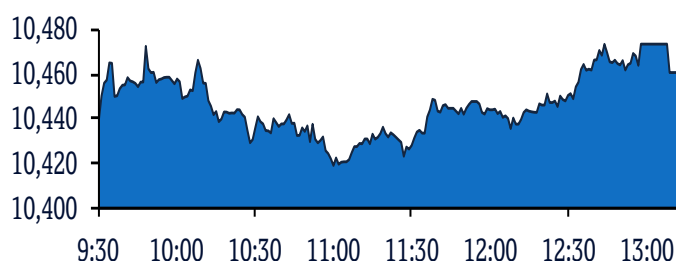


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined marginally to close at 10,461.7. Losses were led by the Banks & Financial Services and Transportation indices, falling 0.3% and 0.2%, respectively. Top losers were Qatar Industrial Manufacturing Company and Alijarah Holding, falling 2.7% and 2.1%, respectively. Among the top gainers, Ezdan Holding Group gained 4.0%, while Ahli Bank was up 2.7%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.3% to close at 7,831.8. Losses were led by the Consumer Durables and Capital Goods indices, falling 1.7% and 1.2%, respectively. Saudi Arabian Amiantit declined 9.4%, while Alsorayai Group was down 4.6%.

Dubai: The DFM Index gained 0.1% to close at 2,888.4. The Telecommunication index gained 0.7%, while the Banks index rose 0.3%. Dar Al Takaful rose 3.8%, while Ektitab Holding Company was up 3.5%.

Abu Dhabi: The ADX General Index fell 0.2% to close at 5,096.1. The Industrial index declined 1.0%, while the Energy index fell 0.5%. Abu Dhabi Ship Building Company declined 6.2%, while Arkan Building Materials Company was down 2.8%.

Kuwait: The Kuwait All Share Index fell marginally to close at 5,745.6. The Consumer Goods index declined 4.3%, while the Telecommunications index fell 1.4%. Al-Eid Food declined 10.0%, while Credit Rating & Collection was down 9.6%.

Oman: The MSM 30 Index gained 0.1% to close at 4,020.2. Gains were led by the Services and Financial indices, rising 0.7% and 0.4%, respectively. Al Hassan Engineering rose 14.3%, while Dhofar Cattle Feed was up 9.9%.

Bahrain: The BHB Index gained 0.4% to close at 1,546.6. The Commercial Banks index rose 0.7%, while the Services index gained 0.1%. Nass Corporation rose 4.3%, while Al Salam Bank – Bahrain was up 1.1%.

Market Indicators	12 Sep 19	11 Sep 19	%Chg.
Value Traded (QR mn)	251.7	306.5	(17.9)
Exch. Market Cap. (QR mn)	578,608.5	577,897.9	0.1
Volume (mn)	128.9	156.9	(17.9)
Number of Transactions	7,837	7,539	4.0
Companies Traded	45	43	4.7
Market Breadth	13:19	29:9	-

Market Indices	Close	1D%	WTD%	YTD%	TTMP/E
Total Return	19,250.33	(0.0)	2.0	6.1	15.1
All Share Index	3,081.76	0.1	2.6	0.1	15.3
Banks	4,061.11	(0.3)	1.1	6.0	14.0
Industrials	3,103.74	0.1	1.9	(3.5)	17.8
Transportation	2,537.22	(0.2)	(0.3)	23.2	14.0
Real Estate	1,498.82	1.6	10.2	(31.5)	16.5
Insurance	2,934.98	0.1	6.8	(2.4)	17.1
Telecoms	973.54	1.6	6.4	(1.4)	17.7
Consumer	8,588.93	0.3	2.9	27.2	16.9
Al Rayan Islamic Index	4,001.14	(0.1)	1.4	3.0	14.8

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Saudi Ind. Inv. Group	Saudi Arabia	22.36	3.8	1,002.7	(2.3)
Ahli Bank	Oman	0.12	3.3	62.7	(10.8)
Sembcorp Salalah Power.	Oman	0.12	2.5	23.4	(31.1)
Ooredoo	Qatar	7.78	2.4	2,538.1	3.7
National Shipping Co.	Saudi Arabia	27.10	1.9	555.3	(18.9)

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Abu Dhabi Comm. Bank	Abu Dhabi	8.30	(2.4)	2,370.1	1.7
Saudi Arabian Mining Co.	Saudi Arabia	43.45	(2.0)	502.5	(11.9)
Mobile Telecom. Co.	Kuwait	0.54	(2.0)	3,688.7	19.6
Saudi British Bank	Saudi Arabia	30.80	(1.9)	637.2	(5.7)
Riyadh Bank	Saudi Arabia	24.26	(1.8)	1,017.2	22.4

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%
Qatar Industrial Manufacturing	3.21	(2.7)	17.6	(24.8)
Alijarah Holding	0.69	(2.1)	1,865.1	(21.5)
Zad Holding Company	13.41	(2.0)	70.0	28.9
Mazaya Qatar Real Estate Dev.	0.74	(2.0)	649.6	(4.6)
Qatar Islamic Insurance Company	6.08	(1.9)	473.0	13.2

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.45	(0.2)	48,974.2	(0.3)
Ezdan Holding Group	0.70	4.0	24,691.3	(46.3)
Ooredoo	7.78	2.4	19,600.1	3.7
The Commercial Bank	4.56	0.2	17,577.2	15.8
Masraf Al Rayan	3.61	(1.1)	14,084.6	(13.4)

Source: Bloomberg (* in QR)

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.70	4.0	35,494.0	(46.3)
Ahli Bank	3.45	2.7	63.6	35.5
Medicare Group	7.53	2.6	775.8	19.3
Ooredoo	7.78	2.4	2,538.1	3.7
Qatar National Cement Company	5.79	1.2	760.2	(2.7)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Ezdan Holding Group	0.70	4.0	35,494.0	(46.3)
Qatar First Bank	0.33	(0.9)	30,174.6	(20.3)
Aamal Company	0.73	0.4	17,447.4	(17.1)
Vodafone Qatar	1.25	0.0	4,682.9	(20.0)
Masraf Al Rayan	3.61	(1.1)	3,893.7	(13.4)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,461.65	(0.0)	2.0	2.2	1.6	68.74	158,943.7	15.1	1.6	4.2
Dubai	2,888.39	0.1	(0.1)	4.7	14.2	51.04	102,438.1	12.1	1.1	4.3
Abu Dhabi	5,096.09	(0.2)	(0.4)	(1.3)	3.7	40.39	141,847.7	15.3	1.5	4.9
Saudi Arabia	7,831.80	(0.3)	(2.8)	(2.3)	0.1	685.27	494,448.8	19.4	1.7	3.9
Kuwait	5,745.60	(0.0)	(3.5)	(3.3)	13.1	103.91	107,383.2	14.2	1.4	3.7
Oman	4,020.16	0.1	0.6	0.4	(7.0)	7.35	17,528.2	8.2	0.8	6.8
Bahrain	1,546.63	0.4	(0.3)	0.9	15.7	5.93	24,212.7	11.6	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)

Qatar Market Commentary

- The QE Index declined marginally to close at 10,461.7. The Banks & Financial Services and Transportation 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.
- Qatar Industrial Manufacturing Company and Alijarah Holding were the top losers, falling 2.7% and 2.1%, respectively. Among the top gainers, Ezdan Holding Group gained 4.0%, while Ahli Bank was up 2.7%.
- Volume of shares traded on Thursday fell by 17.9% to 128.9mn from 156.9mn on Wednesday. However, as compared to the 30-day moving average of 80.1mn, volume for the day was 60.9% higher. Ezdan Holding Group and Qatar First Bank were the most active stocks, contributing 27.5% and 23.4% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	30.11%	39.40%	(23,380,184.45)
Qatari Institutions	24.69%	27.19%	(6,274,460.70)
Qatari	54.80%	66.59%	(29,654,645.15)
GCC Individuals	0.58%	0.68%	(248,095.06)
GCC Institutions	0.69%	2.10%	(3,559,306.06)
GCC	1.27%	2.78%	(3,807,401.12)
Non-Qatari Individuals	10.39%	9.90%	1,243,328.90
Non-Qatari Institutions	33.54%	20.74%	32,218,717.37
Non-Qatari	43.93%	30.64%	33,462,046.27

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

Ratings and Global Economic Data

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Bank Al-Jazira	Capital Intelligence	Saudi Arabia	LTF	BBB+	A-	↑	Stable	-
Bank Dhofar	Moody's	Oman	BCA/ABCA	ba2/ ba2	ba3/ ba3	↓	-	-

Source: News reports, Bloomberg (* LTF- Long Term Foreign Rating, BCA - Baseline Credit Assessment, ABCA - Adjusted Baseline Credit Assessment)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
09/12	US	Bureau of Labor Statistics	CPI MoM	August	0.1%	0.1%	0.3%
09/12	US	Bureau of Labor Statistics	CPI YoY	August	1.7%	1.8%	1.8%
09/12	US	Department of Labor	Initial Jobless Claims	7-September	204k	215k	219k
09/12	US	Department of Labor	Continuing Claims	31-August	1,670k	1,675k	1,674k
09/12	EU	Eurostat	Industrial Production SA MoM	July	-0.4%	-0.1%	-1.4%
09/12	EU	Eurostat	Industrial Production WDA YoY	July	-2.0%	-1.4%	-2.4%
09/12	Germany	German Federal Statistical Office	CPI MoM	August	-0.2%	-0.2%	-0.2%
09/12	Germany	German Federal Statistical Office	CPI YoY	August	1.4%	1.4%	1.4%
09/12	France	INSEE National Statistics Office	CPI MoM	August	0.5%	0.5%	0.5%
09/12	France	INSEE National Statistics Office	CPI YoY	August	1.0%	1.1%	1.1%
09/12	Japan	Bank of Japan	PPI MoM	August	-0.3%	-0.2%	0.0%
09/12	Japan	Bank of Japan	PPI YoY	August	-0.9%	-0.8%	-0.6%
09/13	Japan	Ministry of Economy Trade and Industry	Industrial Production MoM	July	1.3%	-	1.3%
09/13	Japan	Ministry of Economy Trade and Industry	Industrial Production YoY	July	0.7%	-	0.7%
09/12	India	India Central Statistical Organisation	CPI YoY	August	3.2%	3.3%	3.2%
09/12	India	India Central Statistical Organisation	Industrial Production YoY	July	4.3%	2.3%	1.2%

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

Qatar

- Ahli Bank announces EMTN road show** – Ahli Bank rated ‘A2’ by Moody’s and ‘A’ by Fitch, has mandated Al Khaliq Commercial Bank, Barclays Bank, Mizuho Securities, QNB Capital and Standard Chartered Bank as Joint lead managers and joint bookrunners to arrange a series of fixed income investor meetings on its behalf commencing on September 13, 2019. A five year fixed rate USD Regulation S unsecured offering under Ahli Bank’s EMTN program may follow subject to market conditions. ICMA/ FCA stabilization applies. (QSE)
- Qatar Petroleum issues EPC tender for liquid products storage, loading facilities of NFE project** – Qatar Petroleum (QP) has issued an invitation to tender packages for the engineering, procurement and construction (EPC) of additional liquid products storage and loading facilities and Mono-Ethylene Glycol (MEG) storage and distribution facilities, which will be located in Ras Laffan Industrial City and will be part of the North Field Expansion (NFE) project. New facilities covered under this tender include a new propane storage tank, vapor recovery compressors for propane and butane tank refrigeration, a plant condensate storage tank, a MEG storage tank and distribution system, a new liquid products export berth, and liquid product lines from the main NFE plant location to the liquid products storage area. HE the Minister of State for Energy Affairs, who is also QP’s President and CEO, Saad bin Sherida Al-Kaabi said, “The release of this tender package reflects the continuing progress Qatar Petroleum is making on the expansion of our LNG production capacity. With the volume of associated liquid products the NFE project will generate from offshore production and onshore gas processing, it was necessary to expand our existing storage and loading facilities. The unique approach in our contracting strategy for the multiple EPC packages allows us to match the execution expertise in the EPC contracting community to this specific scope of work.” The NFE project involves the addition of four mega LNG trains as part of QP’s plans to expand the State of Qatar’s LNG production from 77mn to 110mn tons per annum by 2024. (Gulf-Times.com)
- Higher travel costs, recreational and cultural expenses drive up inflation in Qatar** – Higher travel costs and increased recreational and cultural expenses drove up the cost of living based on the Consumer Price Index (CPI) in Qatar last month. According to the Planning and Statistics Authority (PSA), Qatar’s CPI - a key inflation indicator - rose 1.16% to 109.47 points in August when compared with that of July. Still, this is marginally lower than the index figure a year ago. Compared with the CPI of August 2018, the latest figure shows a decline of 0.04%, the PSA report stated. The report attributed the MoM rise in CPI to increased prices in six inflation components – recreation and culture by 4.17%, transportation by 2.98%, food and beverages by 1.58%, miscellaneous goods and services by 1.11%, education by 0.93% and furniture and household equipment by 0.05%. On YoY analysis, the index’s marginal declines is mostly driven by price falls in four components – recreation and culture by 8.32%, housing, water, electricity and gas by 2.21%, health by 0.08% and furniture and household equipment by 0.07%. (Qatar Tribune)
- Money reserves and counterpart assets at QR74.6bn** – Qatar Central Bank (QCB) data released on Thursday indicated that the total Money Reserve in the Qatari banking system decreased by the end of August by about QR5.7bn, but still 23.8% higher than in the third month of the blockade in August 2017, to reach by the end of August 2019 to the level of QR74.6bn, compared to QR 80.3bn last July, and QR60.3bn in August 2017. Reserve Money consists of four components: Issued Currency, Required Reserve, Excess Reserve, and Others. The Issued Currency is the total amount issued by QCB at some time in Qatari currencies; the Required Reserve is 4.50% of the total amount of the customer deposits with all commercial banks in Qatar. The excess reserve is the unused surplus with banks at any time, and banks voluntarily deposit it with QCB as a reserve in order to cover the clearing operations between them. In details, we note that the decline in the Reserve Money has been attributed to the decline in the other category - which represents bank deposits with QCB through the Qatari Monetary System (QMR) mechanism, and its balance decreased to QR15bn compared to about QR21.9bn in July, but still higher than a year ago when it reached QR11.4bn, and only QR1.47bn two years ago. This indicates a stable liquidity of the Qatari banking system. The Required Reserve which accounted for half of the Reserve Money worth QR36.8bn, indicates a stable category, and it usually increases by the increase the of the customer deposits with commercial banks. The Issued Currency remained stable, with a limited decline of QR0.4bn to the level of QR16.5bn, after it had seen a noticeable increase in the month of the siege in June 2017 to the level of QR19.6bn. The Excess Reserve deposited at the QCB rose in August from July by about QR1.8bn to the level of QR6.28bn, and is still higher than its level in August 2017 of QR4.87bn, indicating improved liquidity management at banks operating in Qatar. (Peninsula Qatar)
- Freehold property law a massive boost to real estate sector** – The amendment of the law allowing foreign investors to hold full ownership in Qatar’s residential and commercial sectors, will give a massive boost to the country’s real estate sector, according to a top real estate marketing influencer. The introduction of more freehold zones indicates greater efforts from the Qatari government to diversify away from oil revenue. And incentives by the government to boost industry outside of the hydrocarbons sector is seeing investment trickle into logistics and manufacturing, thereby giving rise to real estate demand, Carlo Schembri, Exhibition Director of Cityscape Qatar said. Schembri said, “By allowing investors with more options when it comes to office space, it has signaled to foreign companies that Qatar is quickly becoming an attractive destination to set up shop. The real estate sector is now more accessible to wider pool of investors. Developers and government organizations are seizing the opportunity by offering attractive office, residential, and retail spaces. Individual investors will also see the approach of the FIFA World

Cup in 2022 as a catalytically factor when setting up shop in the country.” (Peninsula Qatar)

- **KCBK appoints two Qatari executives in senior leadership roles** – Al Khalij Commercial Bank (KCBK) has announced the appointment of two Qatari executives to senior leadership roles in the organization under its ongoing talent Qatarization program. Omar Al-Emadi and Hassan Al-Jaidah were both promoted and appointed to lead the bank’s strategic business development efforts and verticals. Al-Emadi, previously head of Corporate Banking at KCBK, will now be managing the bank’s growing portfolio and customer base, and spearheading its growth initiatives and strategies as group chief business officer. Al-Jaidah was appointed as head of Premium Banking, where he will be tasked with the division’s expansion and diversification into new customer segments and offerings. (Gulf-Times.com)
- **Minister: Qatarization to be given new fillip** – HE the Minister of Administrative Development Labor and Social Affairs Yousuf bin Mohamed Al-Othman Fakhro said localizing jobs, increasing the Qatarization ratios and qualifying Qatari cadres contribute to advancing national economy. Speaking on the sidelines of the career fair organized by QNB Group, HE the Minister said preparations are underway to launch a package of initiatives aimed at increasing the rates of Qatarization in many sectors and areas in the country. He pointed out that there is coordination between the various institutions and agencies to activate and strengthen many of the procedures during the coming period, in addition to raising the level of co-ordination between these bodies to increase Qatarization rates and create job opportunities for citizens in all fields. HE the minister praised QNB Group for organizing the career fair, pointing out that the QNB Group is one of the leading institutions in the field of localization, increasing Qatarization rates and qualifying Qatari cadres. He also praised the efforts made by other bodies in the country to develop Qatari cadres and provide outstanding opportunities for citizens. QNB Group’s Acting CEO, Abdullah Mubarak Al-Khalifa said the percentage of Qatarization in the group is one of the highest in the Qatari banking sector, where it exceeded 50%. He added that the percentage of Qataris in senior leadership positions is over 77% and that 82% of the bank’s branch managers are Qataris. (Gulf-Times.com)

International

- **Global economy far from recession, IMF official says** – Trade tensions are weighing on growth across the world, but the International Monetary Fund (IMF) is far from forecasting a global recession, an IMF official said, as the fund prepares to release a new economic outlook next month. The IMF on Thursday stated tariffs imposed or threatened by the US and China could shave 0.8% off global economic output in 2020 and trigger losses in future years. “The trade tensions are weighing on growth. But we really don’t see recession in the current baseline. I think we’re far from that,” the IMF official, who is familiar with the preparation of the outlook, said. “While manufacturing activity has been weak, we also see resilience in the services sector and consumer confidence is holding up. The question is how long that resilience can last, and we are monitoring carefully all indicators,” the official said. (Reuters)
- **QNB Group: EMs to remain volatile amid sharp sentiment swings** – Early this year, despite having highlighted a bleak picture for

global growth and the persistence of political risks, QNB Group had pointed out that emerging markets (EMs) were set to enter 2019 on a more positive note. “In fact, back then, EMs was starting to benefit from powerful global tailwinds, including the US Federal Reserve (Fed) dovish pivot, the US-China trade truce, more moderate dollar strength, and stabilizing commodity prices. Indeed, our views have come to fruition,” QNB Group stated in its latest report. As sentiment improved, capital was pushed to riskier assets in general and EM assets in particular, QNB Group stated. According to the Institute of International Finance (IIF), non-resident portfolio inflows to EMs increased from a monthly average of \$16bn in 2018 to \$32bn in 1H2019. This has contributed to significant gains across EM asset classes, including over 10% total returns in 1H2019 for both equities (MSCI EM) and bonds (JP Morgan EMBI Global). However, global conditions have turned sour for EMs in the summer, as sentiment suddenly shifted with additional policy uncertainty and the materialization of risks. In other words, if a risk-on environment produced tailwinds, the sudden reversal of sentiment is now producing headwinds, QNB Group stated. (Gulf-Times.com)

- **US core inflation firming, but Fed still seen cutting rates** – The US underlying consumer prices increased solidly in August, leading to the largest annual gain in a year, but rising inflation is unlikely to deter the Federal Reserve from cutting interest rates again next week to support a slowing economy. Other data showed the number of Americans filing applications for unemployment benefits dropped to a five-month low last week suggesting the labor market remains healthy, which should continue to underpin consumer spending even as hiring has cooled. The longest economic expansion on record is under threat from the White House’s year-long trade war with China. The Labor Department stated its Consumer Price Index (CPI) excluding the volatile food and energy components gained 0.3% for a third straight month. The so-called core CPI was boosted by a surge in healthcare costs and increases in prices for airline tickets, recreation and used cars and trucks. In the 12 months through August, the core CPI increased 2.4%, the most since July 2018, after climbing 2.2% in July. Economists polled by Reuters had forecasted the core CPI rising 0.2% in August and up 2.3% on a YoY basis. (Reuters)
- **Solid US retail sales calm some worries about economy** – The US retail sales increased more than expected in August, pointing to solid consumer spending that should continue to support a moderate pace of economic growth. Retail sales rose 0.4% last month, lifted by spending on motor vehicles, building materials, healthcare and hobbies. Data for August was revised slightly up to show retail sales increasing 0.8% instead of 0.7% as previously reported. Economists polled by Reuters had forecasted retail sales would gain 0.2% in August. Compared to August last year, retail sales advanced 4.1%. Retail sales have increased for six straight months, the longest such stretch since June 2017. (Reuters)
- **US budget deficit passes \$1tn mark for fiscal 2019** – The US government posted a \$200bn budget deficit in August, bringing the fiscal year-to-date deficit past \$1tn, according to data released by the Treasury Department. Analysts polled by Reuters had expected a \$195bn deficit for the month. The Treasury stated federal spending in August was \$428bn, down

1% from the same month in 2018, while receipts were \$228bn, an increase of 4% compared with August 2018. The deficit for the fiscal year to date was \$1.067tn, compared with \$898bn in the comparable period the year earlier. When adjusted for calendar effects, the deficit for August was \$141bn compared with an adjusted deficit of \$146bn in August 2018. The adjusted fiscal year to date deficit was \$1.017tn versus an adjusted \$878bn the prior period. (Reuters)

- **Eurozone's industry output drops by more than expected in July** – Eurozone's production fell for a second consecutive month and by more than expected in July, showing industry in the single currency bloc entering the third quarter in a negative tone. Industrial production in the Eurozone area fell by 0.4% in July from June and by 2.0% YoY. Economists had predicted less sharp drops in output of 0.1% MoM and 1.3% from a year earlier. Eurostat did though revise up its June data, which now shows a 1.4% drop in production in the month instead of the 1.6% estimated earlier. The YoY figure for June was hiked to a negative 2.4% from the previous minus 2.6%. (Reuters)
- **Ifo institute cuts German 2019 GDP forecast, sees recession in third quarter** – The Ifo institute cut its 2019 growth forecast for Germany and stated a recession would hit Europe's largest economy in the third quarter, the latest gloomy forecast that raises pressure on the European Central Bank to loosen policy. Ifo cut its growth forecast for this year to 0.5% from 0.6%. It also stated the German economy would probably shrink by 0.1% in the third quarter, which would amount to a recession after a similar contraction in the April-June period. The German economy has weakened as its export-dependent manufacturing sector languishes in recession due to trade conflicts and uncertainty linked to Britain's planned departure from the European Union. Ifo stated the manufacturing sector's weakness is gradually spreading to other parts of the economy, including logistics and the services sector. This was leaving a mark on the labor market, it stated. Germany's Macroeconomic Policy Institute (IMK) earlier on Thursday stated there was an almost 60% chance that the German economy could fall into recession. (Reuters)
- **Reuters poll: Japan August exports seen in sharpest fall in three years, core inflation to dip** – Japan's exports likely contracted at the fastest pace in more than three years in August, a Reuters poll showed, indicating increasing pressure on shipments as the economy is being hit by the US-China trade war and slower global growth. Adding to the challenges policymakers face, Japan's core consumer inflation is seen in the poll as slipping to the lowest level in more than two years, largely thanks to weaker energy prices. Exports in August are forecast to have slumped 10.9% from a year earlier, which would be the biggest shrinkage since 14.0% in July 2016 and a far sharper one than July's 1.5% drop. An August contraction would also extend the streak of declines that began in December to a ninth month. The poll also forecast that imports would fall 11.2% in August from a year earlier, likely indicating the trade deficit widened to 355.9bn Yen from a revised 250.7bn Yen deficit the previous month. (Reuters)
- **Reuters poll: Japanese companies increasingly hit by trade war, but few shifting from China** – Half of Japanese companies have seen their profits hurt by the US-China trade war, although few

firms are planning to shift operations or supply chains out of China yet, a Reuters poll found. The Reuters Corporate Survey highlights the worsening collateral damage to global trade, beyond the immediate China-US relationship, from the tariffs Washington and Beijing have slapped on each other's goods. The Reuters survey showed 45% of Japanese firms have had their profits affected to some extent by the US-China tariffs, while 6% have been greatly affected. Some 42% of firms said they have hardly been hit, and 7% see no impact at all. That is worse than a similar Reuters poll last October that found just one-third of Japanese companies hit, with 58% of Japanese firms hardly affected by the trade war and 8% seeing no impact. (Reuters)

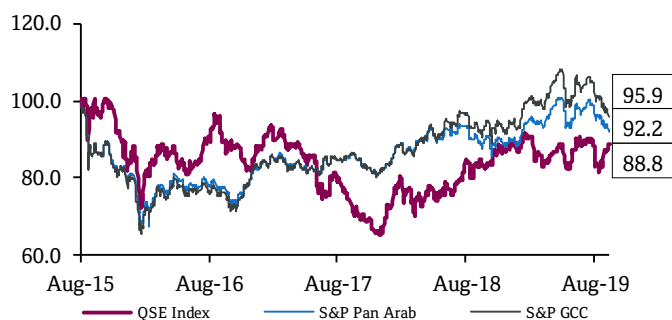
Regional

- **IEA: OPEC+ faces 'daunting' oil market surplus in 2020** – As OPEC and its allies met, the IEA stated that it faces a significant challenge in managing the market into 2020. Demand for the group's crude in the first half of 2020 will be 1.4mn barrels a day below its August output as production surges from their competitors, including the US. Though an increase in stockpiles has taken a pause for now, growth in other countries, including Brazil and Norway means that 2020 could see a significant increase in oil stockpiles and pressure on prices. As an illustration of the challenge OPEC is facing, the US briefly overtook Saudi Arabia as the world's largest oil exporter in June. (Gulf-Times.com)
- **IEA says oil markets 'well supplied' after attack in Saudi Arabia** – The International Energy Agency (IEA) stated that it is closely monitoring the situation in Saudi Arabia following drone attacks on oil production facilities in the country. The international energy watchdog stated that the global oil markets are for now "well supplied with ample commercial stocks." "We are in contact with Saudi Arabian authorities as well as major producer and consumer nations," the IEA stated. The IEA did not mention plans to release emergency oil stocks. (Reuters)
- **Saudi Arabia's Energy Minister says attacks partially halted Saudi Aramco's production** – Saudi Arabian Energy Minister said that attacks on the Kingdom's oil facilities have partially halted crude and gas production from the world's top oil exporter. Attacks on Saudi Aramco facilities in Abqaiq and Khurais cut the company's crude oil supply by around 5.7mn barrels per day or about 50% of its output, the minister said. Part of the reduction will be compensated for through drawing from Saudi Aramco's oil stocks. (Reuters)
- **OPEC members Iraq and Nigeria agree to cut oil output** – OPEC has agreed to trim oil output by asking over-producing members Iraq and Nigeria to bring production in line with their targets as the group strives to prevent a glut amid soaring US production and a slowing global economy. A market-monitoring committee formed by the OPEC+, met ahead of their policy discussions in Vienna in December. OPEC+ has over complied on average with its agreed cut of 1.2mn bpd as Iranian and Venezuelan exports collapsed due to sanctions. But some members, such as Iraq and Nigeria, have been producing above their quota. Iraq, OPEC's second-largest oil producer, pledged to reduce output by 175,000 bpd by October, while Nigeria is to reduce supply by 57,000 bpd. Better compliance will deliver an output cut of more than 400,000 bpd, two OPEC+ sources said. (Reuters)

- **Saudi Arabia says it will keep over complying with OPEC+ oil cuts** – Saudi Arabia’s new Energy Minister said that the Kingdom would continue to over comply voluntarily with oil output cuts agreed by the OPEC+ producer alliance. Saudi Arabia’s October production would be 9.890mn barrels per day, Prince Abdulaziz bin Salman said after a meeting of ministers from the OPEC and its allies led by Russia. Discussions on deeper cuts would be left to the next OPEC meeting, he said, adding that there was a clear readiness among OPEC and its allies to be responsive. The group will discuss the impact of any easing of US sanctions on OPEC member Iran if and when that happens, he said. (Reuters)
- **Jobless rate among Saudi Arabians falls to 12.3%** – The unemployment rate among Saudi Arabians fell to 12.3% in the second quarter of 2019, according to official data published by the General Authority for Statistics (GASTAT). A quarterly bulletin indicated a slight improvement in the rate, which stood at 12.5% in the first quarter of 2019. The unemployment rate of the total population, including non-Saudi Arabians, decreased in the second quarter to 5.6%, compared to 6% in the previous quarter. The bulletin’s information is derived from labor force survey estimates and market data from bodies including the Ministry of Labor and Social Development, the Ministry of Civil Service, the General Organization for Social Insurance, the Human Resources Development Fund and the National Information Center. The bulletin showed a rise in the economic participation rate of Saudis to 45% in the second quarter, compared to 42.3% in the first. The rate of Saudi Arabian women’s economic participation stood at 23.2%, compared to 20.5% in the previous quarter. The bulletin indicated that the total number of Saudi Arabian employees in the Kingdom was 3,090,248 in the second quarter, compared to 3,112,029 in the first quarter. (Zawya)
- **UAE says output curb compliance will mean more oil removed from market** – More oil will be removed from global markets if producers comply fully with agreed supply curbs, the UAE’s Energy Minister, Suhail Al-Mazrouei said. “Additional volumes will be removed as a result of full conformity,” he told reporters after a meeting of some OPEC+ ministers in Abu Dhabi, which comes ahead of a formal gathering in December. (Reuters)
- **UAE’s Brooge Petroleum awards refinery construction deal to Spain’s SENER** – The UAE’s Brooge Petroleum and Gas Investment Co (BPGIC) stated that it has awarded a contract to Spain’s SENER engineering group to build a new oil refinery in Fujairah. The plant will produce bunker fuel that complies with new international laws capping sulphur content in shipping fuels. The first phase of the planned 250,000 barrel per day (bpd) refinery will be completed in the first quarter of 2020, the company stated. New regulations from the International Maritime Organization (IMO) will require ships to use fuels with sulphur content below 0.5% beginning in 2020. Current shipping fuel is much dirtier, with higher sulphur content. Earlier this year, BPGIC listed its shares on the Nasdaq stock exchange after merging with US-based firm Twelve Seas Investment Co. The move was part of the UAE-based oil storage company’s expansion strategy. BPGIC, which was set up in 2013, is one of the largest holders of storage assets in Fujairah. (Reuters)
- **Kuwait Finance House to buy Bahrain’s Ahli United Bank in \$8.8bn deal** – Kuwait Finance House (KFH) has agreed to buy

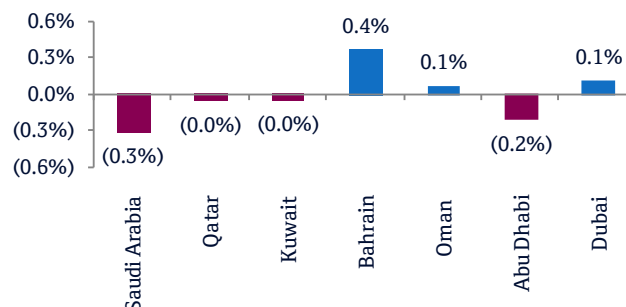
Bahrain’s Ahli United Bank (AUB) in an all-share deal that’s valued at about \$8.8bn. The Kuwaiti lender offered 1 share for every 2.325581 shares of Ahli United Bank, according to a statement. In January, the banks’ advisors had recommended the same swap ratio. The combined entity will potentially become the Gulf’s sixth-biggest lender with \$100bn in assets and the deal value was based on the lenders’ closing price yesterday. Kuwait Finance House shares have gained 27% this year to 707 fils, while AUB shares are up 51% to \$0.941. Lower oil prices over the past five years are forcing Gulf lenders to consolidate for scale and to better compete in a crowded market. Subdued credit growth, competition for deposits, higher cost of funds and deteriorating asset quality are driving consolidation in the regional banking sector. (Gulf-Times.com)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,488.65	(0.7)	(1.2)	16.1
Silver/Ounce	17.45	(3.6)	(4.0)	12.6
Crude Oil (Brent)/Barrel (FM Future)	60.22	(0.3)	(2.1)	11.9
Crude Oil (WTI)/Barrel (FM Future)	54.85	(0.4)	(3.0)	20.8
Natural Gas (Henry Hub)/MMBtu [#]	2.62	0.0	4.8	(17.8)
LPG Propane (Arab Gulf)/Ton [#]	42.50	0.0	(2.6)	(33.6)
LPG Butane (Arab Gulf)/Ton [#]	49.75	0.0	(2.5)	(28.9)
Euro	1.11	0.1	0.4	(3.4)
Yen	108.09	(0.0)	1.1	(1.5)
GBP	1.25	1.3	1.8	(2.0)
CHF	1.01	0.0	(0.3)	(0.9)
AUD	0.69	0.2	0.5	(2.4)
USD Index	98.26	(0.1)	(0.1)	2.2
RUB	64.35	(0.6)	(2.1)	(7.7)
BRL	0.24	(0.6)	(0.6)	(5.0)

Source: Bloomberg ([#]Market was closed on September 13, 2019)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,205.81	0.2	1.2	17.1
DJ Industrial	27,219.52	0.1	1.6	16.7
S&P 500	3,007.39	(0.1)	1.0	20.0
NASDAQ 100	8,176.71	(0.2)	0.9	23.2
STOXX 600	391.79	0.4	1.6	12.2
DAX	12,468.53	0.5	2.7	14.3
FTSE 100	7,367.46	1.3	2.6	7.1
CAC 40	5,655.46	0.3	1.3	15.6
Nikkei	21,988.29	1.0	2.5	12.2
MSCI EM	1,026.61	0.4	1.9	6.3
SHANGHAI SE Composite [#]	3,031.24	0.0	1.6	18.1
HANG SENG	27,352.69	1.0	2.7	5.9
BSE SENSEX	37,384.99	0.7	1.9	1.8
Bovespa	103,501.20	(1.1)	0.5	12.1
RTS	1,368.93	0.6	2.1	28.1

Source: Bloomberg (*\$ adjusted returns, [#]Market was closed on September 13, 2019)

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