QNB FINANCIAL SERVICES

FIFA WORLD CUP Qatar2022

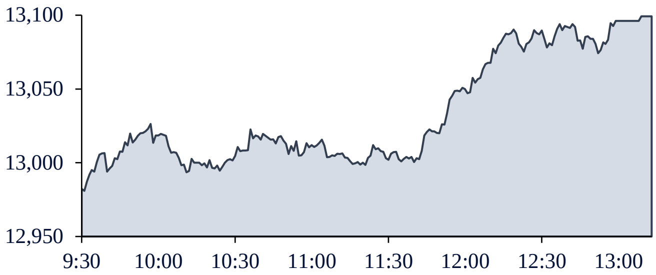
الداعم الرسمي لكأس العالم FIFA 2022™ في الشرق الأوسط وإفريقيا

Official Middle East and Africa Supporter of the FIFA World Cup 2022™

Daily Market Report

Sunday, 12 June 2022

QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 1.0% to close at 13,099.3. Gains were led by the Telecoms and Insurance indices, gaining 2.6% and 1.3%, respectively. Top gainers were Gulf International Services and Qatar Electricity & Water Co., rising 4.7% and 4.0%, respectively. Among the top losers, Al Meera Consumer Goods Co. fell 1.8%, while Zad Holding Company was down 1.7%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.1% to close at 12,603.9. Gains were led by the Media & Entertainment and Utilities indices, rising 1.8% each. Rabigh Refining & Petrochemical rose 10.0%, while Al Rajhi Co. for Co-Operative was up 6.1%.

Dubai: The DFM Index gained 0.1% to close at 3,376.5. The Consumer Staples & Discretionary index rose 12.5%, while the Industrials index gained 6.7%. Emirates Refreshments Co. rose 14.8%, while Dubai Refreshment Company was up 8.0%.

Abu Dhabi: The ADX General Index declined 0.2% to close at 9,578.1. The Consumer Staples index fell 2.0%, while the Real Estate index was down 1.9%. Abu Dhabi National Co. for Building Materials declined 8.3%, while Finance House was down 8.1%.

Kuwait: The Kuwait All Share Index fell 0.3% to close at 7,609.4. The Consumer Discretionary index declined 1.2%, while the Basic Materials index fell 1.0%. Educational Holding Group declined 9.2%, while National Petroleum Services Co. was down 8.2%.

Oman: The MSM 30 Index gained 0.1% to close at 4,134.6. Gains were led by the Industrial and Services indices, rising 0.7% and 0.2%, respectively. Voltamp Energy rose 9.5%, while Al Suwadi Power was up 4.2%.

Bahrain: The BHB Index fell marginally to close at 1,883.1. The Materials index declined marginally. Aluminum Bahrain declined 1.6%, while Arab Banking Corporation was down marginally.

Market Indicators	09 Jun 22	08 Jun 22	%Chg.
Value Traded (QR mn)	681.1	695.4	(2.1)
Exch. Market Cap. (QR mn)	732,281.4	728,279.7	0.5
Volume (mn)	182.9	210.3	(13.0)
Number of Transactions	17,661	15,735	12.2
Companies Traded	45	46	(2.2)
Market Breadth	26:17	27:16	–

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	26,831.51	1.0	2.3	16.6	16.2
All Share Index	4,167.50	0.7	1.2	12.7	164.6
Banks	5,440.61	0.7	(0.4)	9.6	16.8
Industrials	4,980.67	0.8	3.1	23.8	14.3
Transportation	4,320.29	1.0	4.9	21.4	15.1
Real Estate	1,891.32	(0.6)	2.9	8.7	19.9
Insurance	2,727.41	1.3	2.1	0.0	17.3
Telecoms	1,178.40	2.6	4.4	11.4	36.1
Consumer	8,767.07	0.2	1.5	6.7	24.5
Al Rayan Islamic Index	5,448.21	1.1	3.8	15.5	13.8

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Acwa Power Co.	Saudi Arabia	150.00	3.4	414.3	78.6
Dubai Elec. & Water Auth.	Dubai	2.61	2.4	16,423.6	N/A
Abdullah Al Othaim Co.	Saudi Arabia	111.40	2.0	134.6	3.0
Banque Saudi Fransi	Saudi Arabia	51.20	2.0	361.5	8.4
HSBC Bank Oman	Oman	0.11	1.8	644.2	9.6

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Makkah Const. & Dev. Co.	Saudi Arabia	80.80	(2.7)	151.5	7.2
Mouwasat Med. Services Co.	Saudi Arabia	210.80	(2.0)	95.5	21.3
Aldar Properties	Abu Dhabi	5.04	(1.9)	10,612.2	26.3
Saudi Industrial Inv. Group	Saudi Arabia	30.05	(1.5)	823.5	(3.5)
Abu Dhabi Islamic Bank	Abu Dhabi	8.24	(1.2)	912.3	19.9

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%
Gulf International Services	2.22	4.7	34,080.4	29.5
Qatar Electricity & Water Co.	18.51	4.0	735.5	11.5
Ooredoo	7.85	3.7	2,106.2	11.8
Qatar Navigation	8.92	3.2	4,660.5	16.8
Qatar Islamic Bank	23.12	3.2	2,191.4	26.1

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Al Meera Consumer Goods Co.	18.25	(1.8)	69.5	(6.9)
Zad Holding Company	17.80	(1.7)	0.1	11.9
Mannai Corporation	9.20	(1.4)	205.2	93.8
Barwa Real Estate Company	3.50	(1.0)	1,517.4	14.5
Baladna	1.82	(0.9)	4,536.0	26.1

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Gulf International Services	2.22	4.7	34,080.4	29.5
Qatar Aluminum Manufacturing Co.	2.09	0.8	17,838.2	16.1
Mazaya Qatar Real Estate Dev.	0.92	0.5	15,512.5	(0.5)
Estithmar Holding	2.18	(0.5)	10,984.2	77.1
Alijarah Holding	0.93	0.2	9,280.4	(0.9)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Gulf International Services	2.22	4.7	74,985.5	29.5
QNB Group	20.00	(0.5)	72,348.6	(0.9)
Qatar International Islamic Bank	11.47	0.7	56,435.9	24.5
Qatar Islamic Bank	23.12	3.2	49,776.6	26.1
Qatar Navigation	8.92	3.2	41,595.7	16.8

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded ($ mn)	Exchange Mkt. Cap. ($ mn)	P/E**	P/B**	Dividend Yield
Qatar*	13,099.25	1.0	2.3	1.4	12.7	694.17	199,986.1	16.2	1.9	3.3
Dubai#	3,376.50	0.1	0.1	0.9	5.7	37.15	148,666.9	11.5	1.2	2.7
Abu Dhabi#	9,578.08	(0.2)	(0.2)	(4.2)	13.4	344.27	501,223.8	21.5	2.7	2.0
Saudi Arabia	12,603.89	0.1	(0.0)	(2.5)	11.7	1,493.99	3,217,892.9	22.6	2.7	2.2
Kuwait	7,609.42	(0.3)	(2.0)	(2.7)	8.0	160.81	147,028.6	17.1	1.7	2.9
Oman	4,134.56	0.1	0.1	0.5	0.1	1.74	19,465.4	11.9	0.8	5.0
Bahrain	1,883.14	(0.0)	(1.2)	(2.0)	4.8	4.25	30,244.5	7.2	0.9	5.9

*Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded ($ mn) do not include special trades, if any, # Data as of June 10, 2022)*

Qatar Market Commentary

- The QE Index rose 1.0% to close at 13,099.3. The Telecoms and Insurance indices led the gains. The index rose on the back of buying support from GCC and foreign shareholders despite selling pressure from Qatari and Arab shareholders.
- Gulf International Services and Qatar Electricity & Water Co. were the top gainers, rising 4.7% and 4.0%, respectively. Among the top losers, Al Meera Consumer Goods Co. fell 1.8%, while Zad Holding Company was down 1.7%.
- Volume of shares traded on Thursday fell by 13.0% to 182.9mn from 210.3mn on Wednesday. Further, as compared to the 30-day moving average of 194.7mn, volume for the day was 6.0% lower. Gulf International Services and Qatar Aluminum Manufacturing Co. were the most active stocks, contributing 18.6% and 9.8% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	35.74%	39.60%	(26,281,253.5)
Qatari Institutions	18.74%	25.39%	(45,329,083.7)
Qatari	**54.48%**	**64.99%**	**(71,610,337.2)**
GCC Individuals	0.26%	0.39%	(846,697.7)
GCC Institutions	5.44%	2.07%	22,937,475.1
GCC	**5.71%**	**2.46%**	**22,090,777.4**
Arab Individuals	9.44%	10.01%	(3,880,644.7)
Arab Institutions	0.01%	0.00%	41,496.0
Arab	**9.44%**	**10.01%**	**(3,839,148.7)**
Foreigners Individuals	3.24%	2.94%	2,094,025.9
Foreigners Institutions	27.13%	19.61%	51,264,682.5
Foreigners	**30.38%**	**22.54%**	**53,358,708.4**

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

Global Economic Data

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
09-06	US	Department of Labor	Initial Jobless Claims	04-Jun	229k	206k	202k
10-06	US	Bureau of Labor Statistics	CPI MoM	May	1.00%	0.70%	0.30%
10-06	US	Bureau of Labor Statistics	CPI YoY	May	8.60%	8.30%	8.30%
10-06	US	Bureau of Labor Statistics	CPI Ex Food and Energy YoY	May	6.00%	5.90%	6.20%
10-06	US	Bureau of Labor Statistics	CPI Index NSA	May	292.296	291.694	289.109
09-06	UK	Royal Institution of Chartered	RICS House Price Balance	May	73%	76%	80%
09-06	EU	European Central Bank	ECB Marginal Lending Facility	09-Jun	0.25%	0.25%	0.25%
09-06	EU	European Central Bank	ECB Deposit Facility Rate	09-Jun	-0.50%	-0.50%	-0.50%
10-06	Germany	German Federal Statistical Office	Current Account Balance	Apr	7.4b	N/A	18.8b
09-06	China	National Bureau of Statistics	Trade Balance	May	$78.76b	$57.70b	$51.12b
09-06	China	National Bureau of Statistics	Exports YoY	May	16.90%	8.00%	3.90%
09-06	China	National Bureau of Statistics	Imports YoY	May	4.10%	2.80%	0.00%
10-06	China	National Bureau of Statistics	PPI YoY	May	6.40%	6.40%	8.00%
10-06	China	National Bureau of Statistics	CPI YoY	May	2.10%	2.20%	2.10%
10-06	Japan	Bank of Japan	PPI MoM	May	0.00%	0.60%	1.20%
10-06	Japan	Bank of Japan	PPI YoY	May	9.10%	10.00%	10.00%

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

Qatar

- **Qatar First Bank announces sale of unsubscribed shares in the market –** In connection with Qatar First Bank's rights issue process, where the number of subscribed shares amounted to 268,711,498 while the number of unsubscribed shares amounted to 151,288,502 shares; The Bank hereby announces that it will commence the sale of unsubscribed shares through the stock exchange from June 15, 2022, to June 28, 2022. Depending on the successful outcome of the sale process during the mentioned period, the Bank will conclude its capital increase. In the event that the Bank was unable to sell the entirety of the shares during the specified period, it will seek regulatory approval to extend either the unsubscribed share sale period or cancellation of the remaining unsubscribed shares. Accordingly, the Bank shall notify the market. Furthermore, the Bank would like to inform investors that the subscribed shares have been placed in a separate account such that they cannot be traded until completion of the sale of unsubscribed shares as per regulatory requirements. (QSE)
- **Qatar's economy to be fastest growing in GCC in 2023, 2024 –** Qatar's economy is expected to witness growth this year and is forecast to be the fastest growing in the GCC in 2023 and 2024. The real Gross Domestic Product (GDP) is projected to grow by 4.9% in 2022, followed by 4.5% and 4.4% respectively in 2023 and 2024, according to the latest report of the World Bank. The stable and resilient economy of Qatar has been growing at a fast rate. The country's high per capita income, vast hydrocarbon reserves, and strong eco-nomic fundamentals support its strong credit profile. The World Bank's latest Global Economic Prospects report for June has increased Qatar's projected GDP growth for 2022 to 4.9% against a backdrop of decelerating GDP growth globally (2.9%). The report additionally reaffirmed its forecast that Qatar's economy will be the fastest growing in the GCC in 2023 and 2024. (Peninsula Qatar)
- **Realty deals exceed QR379mn last week –** The volume of real estate trading in sales contracts registered with the Real Estate Registration Department at the Ministry of Justice, during the period from May 29 to June 2, amounted to QR379,578,839. The weekly bulletin issued by the Department stated that the list of real estate traded for sale included vacant lands, residences, residential buildings and commercial buildings. The bulletin indicated that the sales were concentrated in the municipalities of Al Dhaayen, Doha, Al Rayyan, Umm Salal, Al Khor, Al Dhakhira, Al Shamal and Al Wakra.The volume of real estate trading during the period from May 22 to 26, amounted to QR431,082,498. (Peninsula Qatar)
- **645 building permits, 248 completion certificates issued in May –** The number of building permits issued in May by municipalities in Qatar stood at 645, a decrease of 5% compared to 677 permits issued in the previous month, data released by the Planning and Statistics Authority (PSA) showed. The PSA in cooperation with the Ministry of Municipality released the 89th issue of the monthly Statistics of Building Permits and Building completion certificates issued by all municipalities in the country. Building permits and building completion certificates data is of particular importance as it is considered an indicator for the performance of the construction sector which in turn occupies a significant position in the national economy. In a quick review of the data on building permits issued during the month of May 2022, according

to their geographical distribution, municipality of Al Rayyan topped the list of the municipalities with 167 permits issued (26% of the total issued permits), while municipality of Al Doha came in second place with 166 permits, i.e. 26%, followed by Al Wakrah municipality of with 136 permits, i.e.21%, then municipality of Al Da'ayen with 94 permits, i.e.15%. The rest of the municipalities were as follows: Umm Slal 47 permits (7%), Al Khor 15 permits (2%), and finally Al Shammal and Al Sheehaniya 10 permits (2%) each. In terms of type of permits issued, data indicated that the new building permits (residential and non-residential) constitutes 52% (334 permits) of the total building permits issued during the month of May 2022, while the percentage of additions permits constituted 45% (291 permits), and finally fencing permits with 3% (20 permits). (Peninsula Qatar)

- **Korean consortium signs on long-term LNG delivery contract with Qatar Energy –** A consortium of three Korean shipping companies – H-Line Shipping, Pan Ocean and SK shipping – has received a long-term order of LNG delivery for Qatar Energy, Qatar's state-owned oil and gas company, for an undisclosed amount and initially signed a lease for four LNG carriers, the Ministry of Oceans and Fisheries said on Thursday. (Bloomberg)

- **QBA explores investment opportunities in medical tourism in Switzerland –** The Qatari Businessmen Association (QBA) organized a business lunch in honor of the visit of a delegation of Swiss companies and hospitals specialized in medical tourism and medical services, headed by HE Edgar Doerig, Ambassador of Switzerland to Qatar. At the beginning of the meeting, Al Kaabi welcomed the Swiss delegation and spoke about the depth of bilateral relations between the two countries. Al Kaabi stressed the important opportunities for tourism and investment in both countries, noting that while Switzerland is a major tourist destination for Qataris and Gulf residents, Qatar is on the verge of organizing an exceptional version of the World Cup, where the country welcomes the Swiss fans and tourists. For his part, the Swiss Ambassador highlighted that there are promising opportunities to enhance Qatari-Swiss cooperation in various sectors, especially tourism and medical tourism. Doerig also indicated that the volume of trade between Qatar and Switzerland rose by 92% to over QR5bn in 2021 from QR2.6bn in 2020.The Ambassador added that the Swiss national team's qualification for the 2022 FIFA World Cup will increase the interest of the Swiss tourists in visiting Qatar. Also speaking during the event, Al Fardan said that after the COVID-19 pandemic, there is an increasing interest by the members of the Qatari Businessmen Association in the health sector and health technology; and that relations with Switzerland are growing in many fields including tourism, especially medical treatment, which opens prospects for further closer cooperation between the private sector in both countries. (Peninsula Qatar)

- **Top ITUC official praises law reforms in Qatar –** The progress in workers' welfare and labor rights which has been achieved by Qatar in the run-up to the hosting of the FIFA World Cup 2022 has been praised during a seminar organized on the sidelines of the International Labor Conference in Geneva. Ahead of the FIFA World Cup, a new minimum wage law has already led to increased wages for 280,000 workers and legislation has been introduced on working during high temperatures. The labor reforms also include new regulations on overtime pay, termination and conditions of employment for domestic workers, the setting up of 14 new Qatar Visa Centers in several origin countries, as well as joint committees being established to facilitate worker participation in companies. Qatar's Minister of Labor HE Dr. Ali bin Smaikh Al Marri, who was elected as the Vice-President of the International Labor Conference in May hosted the event which was organized to showcase the reforms. Representatives of the International Labor Organization (ILO), the International Trade Union Confederation (ITUC) and the International Organization of Employers (IOE) all praised Qatar's efforts to modernize its labor laws. ITUC General Secretary Sharan Burrow, initially a stern critic of the labor system in Qatar, said that workers can now achieve justice in Qatar. "The Qatari reform of the labor laws has been remarkable. The labor laws are not just an agreement, they are in legislation and there is a system of compliance, the labor courts. "The system of modern slavery Kafala is dead, there are labor laws, there is progress, even domestic workers in this country don't face any discrimination," she said. (Peninsula Qatar)

- **QNB Group signs agreement with Qatar Rail to promote its brand in Doha Metro –** QNB Group, the largest financial institution in the Middle East and Africa, has signed a cooperation agreement with Qatar Railways Company (Qatar Rail), which will enable the bank to promote its brand on Doha Metro's trains and in three metro network stations. The stations, namely Hamad International Airport, the Corniche and QNB Lusail, will be branded in preparation for the FIFA World Cup Qatar 2022 to be hosted by Qatar for the first time in the Middle East. The agreement activates the Bank's participation as the Official Middle East and Africa Supporter of the FIFA World Cup 2022 and reflects its keenness to highlight its brand among those that will be displayed across key public facilities and various sectors such as public services, transport and logistics, in addition to projects related to hosting the World Cup. The partnership will provide QNB Group with the opportunity to promote its banking brand, which is the most valuable in the Middle East and Africa region. It also confirms QNB Groups leadership as a financial and banking institution that provides the most innovative services and products in the Qatari market and in other markets where it operates globally. (Peninsula Qatar)

- **Estithmar Holding wins Best Interactive Stand at Project Qatar and Hospitality Qatar 2022 –** Estithmar Holding stood out for its eye-catching stand design amongst 300 exhibiting companies at Project Qatar and Hospitality Qatar 2022 at DECC as it was crowned the winner of Best Interactive Stand. Using its black corporate identity, the two-level stand was remarkably the largest one in the exhibition. It showcased the various number of exciting projects Estithmar is bringing to Qatar. The stand included a set of visuals of the biggest developments and attractions opening before the 2022 FIFA World Cup. Guests enjoyed a tasting experience of the high-end catering while touring the stand. (Peninsula Qatar)

- **Project Qatar, Hospitality Qatar wrap up with 17,000 participants –** The 2022 editions of Project Qatar and Hospitality Qatar have culminated on a high note with 17,000 visitors, including many international trade delegations from the construction and hospitality sectors. The four-day event served as a platform for numerous opportunities, including certified conference sessions and dedicated training to support the continuous development of Qatar. Qatar's construction market is about $80bn (QR291bn) of the country's projects that are in the pipeline. On the other hand, its hospitality sector is bound to witness a surge in the demand with the supply of hotel rooms amongst other categories, exceeding 44,000 rooms by the end of 2022, almost a 50% growth from the current supply of 30,000, offering opportunities unmatched by any other market in the world. Project Qatar and Hospitality Qatar gathered the construction, tourism and hospitality market's main buyer groups under one roof, including government entities, private investors, and project owners to facilitate the need for new ventures, developments, and opportunities that will make Qatar ready for the upcoming grand events. Haidar Mshaimesh, general manager of IFP Qatar, said: "We are proud of the successful culmination of the two big events: Project Qatar and Hospitality Qatar 2022, which is the first combined exhibition that created opportunities for entities and exhibitors to network and build alliances in the construction and hospitality sectors on a larger scale. We appreciate the support of the government, sponsors, and the exhibitors for making this event a success." (Gulf Times)

- **Snoonu participates in Hannover Messe 2022 exhibition –** Qatar's leading tech start-up, Snoonu, participated in the Hannover Messe, one of the world's largest trade fairs, dedicated to the topic of industry development held in the German city of Hannover from May 30 to June 2. Snoonu's participation was based on a special invitation extended to the company from the German government, reflecting the company's outstanding reputation in Qatar and abroad as it consolidates its position toward becoming a technology unicorn. The international exhibition celebrated its 75th anniversary this year as one of the largest trade fairs across the globe specialized in industrial technology, trade, and investment. The exhibition was a prosperous platform for Qatari businessmen and investors to discover the latest innovations and industrial technology in the world. It also introduced the largest international production companies to the potential investment opportunities available in Qatar. Snoonu's presence in Qatar's pavilion at the exhibition, under the leadership of the Ministry of Commerce and Industry, consolidates the country's efforts to connect with a stronger network of foreign investors and establish businesses across industries on a global scale. (Gulf Times)

- **Q-Terminals showcases future projects at Project Qatar expo –** Participating as a silver sponsor of Project Qatar 2022 exhibition that came to an end in Doha on Thursday, Q-Terminals highlighted its local and international achievements as well as future projects in the four-day event. The expo this year ran concurrently with the Hospitality Qatar 2022 at the Doha Exhibition and Convention Centre. The group sought to establish new partnerships with actors in the local and international markets, especially since the exhibition witnessed a huge international participation. Noor Shahdad, Director of Corporate Communications at Q-Terminals, said the exhibition was an opportunity to introduce the company and the role of the Hamad Port and the distinguished services it provides to visitors and attendees. Q-Terminals is a terminal operating company jointly established by Mwani Qatar by 51% shareholding and Milaha by 49% shareholding to provide container, general cargo, RORO, livestock and offshore supply services in Phase 1 of Hamad Port, Qatar's gateway to world trade. (Qatar Tribune)

- **QEF highlights Qatar as an influential economic player –** Minister of Commerce and Industry HE Sheikh Mohammed bin Hamad bin Qassim Al

Thani, affirmed that Qatar Economic Forum (QEF), in cooperation with Bloomberg, reflects the status of the State of Qatar as an influential economic player, and as a bridge for communication and constructive dialogue, and translates its keenness to strengthen inter-national partnerships to achieve global economic recovery. The Minister said in a statement that the Forum, which will be held from June 20 to 22, is a distinguished platform for discussing solutions to address the current issues and challenges the world is witnessing. He stressed that the forum reflects the State of Qatar's keenness to enhance international cooperation and partnerships to achieve a just economic recovery that includes all countries, especially developing and least developed countries, in a manner that enhances the ability of these countries to overcome the economic repercussions of the (COVID-19) pan-demic and the consequences of the Ukrainian crisis, especially its impact on the markets commodities, trade, and the financial sector of many economically fragile states. (Peninsula Qatar)

- **Qatar 2022: Residents need to register property for hosting family and friends –** Residents planning to host friends and families who have approved match tickets and Hayya digital card for the FIFA World Cup Qatar 2022 will need to register their property on the Hayya portal via the Alter-native Accommodation tab. In six months, the FIFA World Cup Qatar 2022 will be underway and fans from across the globe will fly into Doha for the tournament, which will be held from November 21 to December 18. Thousands of fans are planning to stay with family and friends in Qatar during the event, which will take place at eight stadiums and be the most compact edition of the tournament in modern history. Every fan travelling to Qatar for the tournament needs to apply for the Hayya digital card. This will act as an entry permit to Qatar and offer a host of benefits, including free public transport on match days. Qatar residents who are planning to attend matches will also need to apply for Hayya. Local residents who wish to host ticketed family and friends – but not attend matches – do not need to apply for Hayya. Qatari citizens/residents who wish to enter Qatar during the tournament are not required to apply for Hayya. (Peninsula Qatar)
- **QFTH announces Wave 4 of its flagship Incubator, Accelerator Programs –** Qatar FinTech Hub (QFTH), founded by Qatar Development Bank (QDB) to support the growth of the FinTech industry in Qatar, has announced the final list of successful FinTechs to join Wave 4 of its Incubator and Accelerator Programs. Both programs are set to take place from June till August 2022. Themed Next Gen Banking, Wave 4 of these specialized programs has received more than 460 applications from early stage and mature FinTechs, from over 60 countries, including Qatar, USA, UK, Germany, Singapore, Belgium, India and Malaysia. The applications went through a rigorous and multilevel evaluation process, where over 37 FinTechs were shortlisted to present their solutions via virtual pitch days judged by a panel of representatives from QFTH stakeholders and strategic partners. The top 13 were selected and invited to participate in the Incubator and Accelerator Programs. In its fourth wave, the prestigious Incubation Program will be attended by 5 early stage FinTechs including Yougo Payway from Qatar, FinMind and Nervegram from USA, FUNDSAIQ from the UK, and Pewarisan.com from Malaysia. On the other hand, 8 mature FinTechs, including ADGS and UrbanPoint from Qatar, Cadorim from Belgium, Bankograph from Singapore, Authenteq from Germany, Mihuru from India, Paycruiser from USA, in addition to our Anchor FinTech, Zwipe from Norway, will participate in the Accelerator. (Qatar Tribune)

International

- **Soaring inflation fuels bets on sharper Fed rate hikes –** Stubbornly hot US inflation is fuelling bets that the Federal Reserve will get more aggressive about trying to cool price pressures and even potentially ditch its own forward guidance by delivering a jumbo-sized interest rate hike in coming months. Fed policymakers had already all but promised half-point interest rate hikes at their meeting next week and again in late July, following May's half-point hike and the start of balance sheet reductions this month. That would be more policy tightening in the space of three months than the Fed did in all of 2018. Prices of Fed funds futures contracts now reflect better-than-even odds of a 75-basis-point rate hike by July, with a one-in-four chance of that occurring next week -- up from one-in-20 before the inflation report -- and a policy rate in at least the 3.25%-3.5% range at year end. Yields on the two-year Treasury note, seen as a proxy for the Fed's policy rate, topped 3% for the first time since 2008. Core CPI, which strips out volatile energy and food prices, rose 6% in May, down slightly from April's 6.2% pace but far from the "clear and convincing" sign of cooling price pressures that Fed Chair Jerome Powell has said he needs to see before slowing rate hikes. The Fed's current policy rate target is now 0.75%-1%. Fed officials want to get it higher without undermining a historically tight labor market and sending the economy into recession, but accelerating inflation will make that a hard task. (Reuters)
- **US Treasury posts smaller-than-expected budget deficit in May –** The US government posted a smaller-than-expected $66bn budget deficit in May, reflecting continued strength in receipts as the economy recovers from the COVID-19 pandemic and as spending related to the health crisis slowed further, the Treasury Department said on Friday. The deficit last month was down by half from the $132bn shortfall a year earlier and was the smallest budget gap for the month of May since 2016, a Treasury official told reporters. The median forecast among economists polled by Reuters was for a deficit of $120bn. The May deficit followed a record budget surplus in April of $308bn. May receipts declined 16% from a year earlier to $389bn, the Treasury said, largely due to last year's extension of the deadline for individual income tax filings by a month to mid-May. May outlays fell 24% to $455bn, reflecting lower spending for COVID-19 relief. For the first eight months of the 2022 fiscal year, the government reported a deficit of $426bn, down 79% from the year-earlier deficit $2.064tn. Year-to-date receipts are up by 29% to $3.375tn - a record for the period - while outlays fell 19% to $3.801tn. (Reuters)
- **Americans feel the heat as US annual inflation posts largest gain since 1981 –** US consumer prices accelerated in May as gasoline prices hit a record high and the cost of food soared, leading to the largest annual increase in nearly 40-1/2 years, suggesting that the Federal Reserve could continue with its 50 basis points interest rate hikes through September to combat inflation. High inflation, a global phenomenon, also poses a political risk for President Joe Biden and his Democratic Party heading into the mid-term elections in November. A survey on Friday showed consumer sentiment plunged to a record low in early June. "The Fed now recognizes that it is way behind the curve on inflation and must act more decisively," said Sung Won Sohn, a finance and economics professor at Loyola Marymount University in Los Angeles. "Stagflation is the most likely scenario for the next couple of years, with the probability of a recession rising." The consumer price index increased 1.0% last month after gaining 0.3% in April. Economists polled by Reuters had forecast the monthly CPI picking up 0.7%. Gasoline prices rebounded 4.1% after falling 6.1% in April. Prices at the pump shot up in May, averaging around $4.37 per gallon, according to data from AAA. They were flirting with $5 per gallon on Friday, indicating that the monthly CPI would remain elevated in June. Prices of other energy goods also soared last month. Natural gas prices accelerated 8.0%, the most since October 2005. Electricity cost 1.3% more. Food prices jumped 1.2%, with the cost of food consumed at home shooting up 1.4%, marking the fifth straight increase of at least 1.0 percent. Prices of dairy and related products notched their largest gain since July 2007. Food prices have soared following Russia's unprovoked war against Ukraine. In the 12 months through May, the CPI increased 8.6%. That was the largest year-on-year increase since December 1981 and followed a 8.3% advance in April. Economists had hoped that the annual CPI rate peaked in April. Inflation by all measures has far exceeded the Fed's 2% target and is eroding wage gains. Inflation-adjusted average hourly earnings fell 0.6% last month. Excluding the volatile food and energy components, the CPI climbed 0.6% after advancing by the same margin in April. (Reuters)
- **US consumer sentiment tumbles to record low in early June –** US consumer sentiment plunged to a record low in early June as gasoline prices soared to all-time highs, fuelling household concerns about inflation, a survey showed on Friday. The University of Michigan said its preliminary consumer sentiment index tumbled to an all-time low of 50.2 early this month from a final reading of 58.4 in May. Economists polled by Reuters had forecast the index dipping to 58.0. (Reuters)
- **US weekly jobless near five-month high; labor market still very tight –** The number of Americans filing new claims for unemployment benefits increased to the highest level in nearly five months last week, but that likely does not mark a material shift in labor market conditions, which remain extremely tight. The report from the Labor Department on Thursday also showed unemployment rolls remained at a more than 52-year low at the end of May, underscoring the jobs market's strength. Amid reports of companies freezing hiring or contemplating layoffs in anticipation of a recession next year, the weekly jobless claims data is being closely watched. Overall demand for labor, however, remains strong, with 11.4mn job openings at the end of April. Economists largely shrugged off last week's larger than expected rise in claims as noise. Initial claims for state unemployment benefits rose 27,000 to a seasonally adjusted 229,000 for the week ended June 4, the highest since mid-January. Economists polled by Reuters had forecast 210,000 applications for the latest week. Unadjusted claims edged up 1,008 to 184,604 last week. There were notable increases in applications in Florida, Georgia and Pennsylvania, which offset declines in Mississippi and Michigan. "The insured unemployment rate suggests that the official unemployment rate will drop further, potentially closer to 3%," said Moody's Analytics' DeAntonio. "Job growth needs to cool to help the Fed pull off a soft landing." (Reuters)
- **US household wealth drops for first time in 2 years –** US household wealth declined for the first time in two years in the first quarter of 2022 as a drop

in the stock market overwhelmed continued gains in home values, a Federal Reserve report on Thursday showed. Household net worth edged down to $149.3tn from a record $149.8tn at the end of last year, the Fed's quarterly snapshot of the national balance sheet showed. The drop was driven by a $3tn fall in the value of corporate equities - a plunge that has worsened in the current quarter - while real estate values climbed another $1.7tn. It was the first decline in household wealth since the first quarter of 2020, when the onset of the coronavirus pandemic shook financial markets and caused a short but deep recession. Still, the report showed household balance sheets overall remained healthy through the first three months of the year - some $32.5tn above pre-pandemic levels - and looked likely to continue to support strength in consumer spending in the face of high inflation. Of particular note, bank account balances rose, with checkable deposits and currency rising about $210bn to $4.47tn, and time and savings deposits up about $90bn to $11.28tn. Stocks have continued weakening into the second quarter over concern about a surge in inflation to 40-year highs and whether the Fed's aggressive response to it could stall the economy. The decline suggests Americans' wealth likely took another hit from the start of April onward. (Reuters)

- **BoE: UK banks no longer too big to fail –** The Bank of England is satisfied lenders have taken steps to ensure they are no longer "too big to fail" in any future crisis, it said on Friday, though it did find shortcomings at three leading banks. The BoE is aiming to stop banks from requiring taxpayers to bail them out, as happened in the 2007-09 global financial crisis. In its first public assessment of how failing lenders could be dismantled in a crisis, the BoE said it had also identified "areas of further enhancement" for six companies. The three banks found to have shortcomings were Lloyds (LLOY.L), Standard Chartered (STAN.L) and HSBC (HSBA.L). All three were found not to have produced sufficient analysis of their liquidity needs were they to be wound down. "Safely resolving a large bank will always be a complex challenge so it's important that both we and the major banks continue to prioritise work on this issue," said Dave Ramsden, the Bank of England's deputy governor for markets and banking. The BoE said it would repeat its assessment in 2024 and review progress made by the lenders every two years after that. The central bank has powers to force lenders to make structural changes if it feels there are barriers to fast and orderly closure. (Reuters)
- **Bank of England set to raise rates again as inflation heads for 10% –** The Bank of England looks set to raise interest rates next week for the fifth time since December, its steepest run of rate hikes in 25 years, and is likely to keep going in the coming months as inflation heads for double digits. While Britain is forecast to have the weakest economy in 2023 among the world's big, rich nations, investors and most economists are predicting a quarter-point rate hike by the BoE next Thursday. That would take Bank Rate to 1.25%, its highest level since January 2009, when Britain's economy was holed by the global financial crisis. Investors are betting on the BoE's Monetary Policy Committee doubling Bank Rate to 2% by September and hitting 3% by March next year. Some economists are ramping up their forecasts too. Sanjay Raja at Deutsche Bank said on Friday he now expected rates to peak at 2.5%, up from a previous call of 1.75%, starting with a 0.25% increase next week. The BoE thinks inflation is set to surpass 10% later in 2022, when regulated energy tariffs are due to jump by a further 40%, and consumers have already reined in their spending while there are signs of a slowdown in the housing market. A BoE survey published on Friday showed the public's expectations for inflation in the year ahead at 4.6%, the highest in records going back to 1999. (Reuters)
- **Bank of England says 12-month inflation expectations hit record –** The British public's expectations for the rate of inflation in a year's time have risen to their highest in records going back to 1999, a quarterly survey by the Bank of England showed on Friday. The public's median inflation expectation for 12 months' time rose to 4.6% in May, up from 4.3% in February's survey. Expectations for two- and five years' time rose to 3.4% and 3.5%, the highest since 2013 and 2019 respectively. (Reuters)
- **Surge in Eurozone wages may be less than meets the eye –** Eurozone wages are climbing after a lost decade but some pay rises may prove fleeting as employers across the bloc opt to give one-off bonuses rather than permanent increases against an uncertain outlook for growth and inflation. The preference for temporary increases may be frustrating for workers struggling with a cost-of-living crisis but it will be welcomed by European Central Bank policymakers fearing a self-reinforcing spiral between wages and inflation. At 8%, inflation is so high that families are quickly losing their purchasing power, so it is only a matter of time before they ask for more pay, emboldened by record-low unemployment and labour scarcity that is increasingly painful for businesses. Spending their extra cash would in turn fuel even more inflation, just as the ECB tries to bring it back down to 2%. On the surface, data seems to indicate that employers and the ECB are slowly but surely losing that battle: negotiated wages rose by 2.8% in the first quarter. This was their fastest pace since early 2009, driven by a 4% rise in Germany, the biggest of the 19 economies that make up the Eurozone. But once one-off payments are excluded, the German increase was only around 2%, suggesting firms paid up to ease the pain of inflation and the pandemic for their employees, but in a limited way that should not perpetuate inflation. The ECB has long argued that wage growth of 2% to 3% is consistent with a 2% inflation rate, its medium term target. "We expect further increases in the coming quarters, but not enough to compensate for inflation, leading to sharply negative real wage growth," Morgan Stanley said. "Accelerating nominal wage growth should nonetheless support core-driven inflation further out, and make services the key driver of our 2023 forecast." (Reuters)
- **Defying global surge, China's factory inflation hits 14-month low –** China's factory-gate inflation cooled to its slowest pace in 14 months in May, depressed by weak demand for steel, aluminium and other key industrial commodities due to tight COVID-19 curbs and bucking the global trend of rapidly accelerating prices. The producer price index (PPI) rose 6.4% year-on-year, the National Bureau of Statistics (NBS) said on Friday, after an 8.0% rise in April and in line with forecasts in a Reuters poll. It was the weakest reading since March 2021. The consumer price index (CPI) gained 2.1% from a year earlier in May, in line with April's growth. In a Reuters poll, the CPI was expected to rise 2.2%. The cooling inflation marks a sharp contrast to decades-high readings seen in other major economies and reflects the slump in demand due to China's strict COVID-19 controls, which has chilled factory and retail activity in recent months. The modest price pressures also allow China's central bank to release more stimulus to prop up the economy even as monetary authorities in most other countries scramble to hose down inflation with aggressive interest rate hikes. The urban jobless rate rose to 6.1% in April, the highest since February 2020 and well above the government's target ceiling of 5.5%. Non-food prices rose 2.1% from a year earlier, 0.1 percentage point slower than the previous month, affecting the CPI by about 1.68 percentage points, the NBS said in a separate statement. On a month-on-month basis, CPI fell 0.2%, swinging from a 0.4% rise in April. (Reuters)
- **China's exports surge on easing COVID curbs, trade outlook still fragile –** China's exports grew at a double-digit pace in May, shattering expectations in an encouraging sign for the world's second biggest economy, as factories restarted and logistics snags eased after authorities relaxed some COVID curbs in Shanghai. Imports also expanded for the first time in three months, providing welcome relief to Chinese policy makers as they try to chart an economic path out of the supply-side shock that has rocked global trade and financial markets in recent months. Outbound shipments in May jumped 16.9% from a year earlier, the fastest growth since January this year, and more than double analysts' expectations for a 8.0% rise. Exports were up 3.9% in April. "If global demand continues to be as strong as it has been since 2021, China's exports should maintain an average annual growth rate of 15%, at least through 3Q22," Pang said. Economic activity cooled sharply in April as the country grappled with the worst COVID-19 outbreak since 2020. Stringent lockdown measures, sometimes excessively enforced by local officials, had clogged highways and ports, stranded workers and shut factories. China posted a trade surplus of $78.76bn last month, versus a forecast for a $58bn surplus in the poll. The country reported a $51.12bn surplus in April. (Reuters)
- **Japan business community seeks further relaxation of border controls –** Japan's business community issued a joint statement on Friday seeking further relaxation of border controls, as the country begins a gradual easing of COVID-19 travel restrictions. The statement by domestic business lobby Keidanren and foreign chambers of commerce urged further easing to "facilitate an environment where people, goods, money and digital technologies can move freely". Japan began a phased reopening to tourists on Friday after a more than two-year ban. But the visitors must be part of packaged tours accompanied by guides at all times to ensure compliance with infection controls. Prime Minister Fumio Kishida pledged last month to bring Japan's border measures, among the strictest in the world during the pandemic, more in line with other wealthy democracies. The joint statement, signed on to by United States and European business lobbies, urged Japan to restore visa waiver eligibility for its Groups of Seven trading partners. The group also advocated for a rapid return to individual tourist travel, relaxation of COVID testing at airports, and a lifting of the daily cap of international arrivals. (Reuters)

Regional

- **FDI inflow to GCC economies soar to $44bn in 2021 –** Foreign direct investment (FDI) inflow into the GCC states jumped by two thirds to hit $44bn in 2021 from the previous year, which was impacted by the Covid-19 pandemic. Globally, FDI recovered to pre-pandemic levels last year, touching nearly $1.6tn but the prospects for this year are grimmer the latest UNCTAD World Investment Report said. The report entitled "International tax reforms and sustainable investment" said that to cope with an environment of uncertainty and risk aversion, developing countries must get significant help from the international community. The report was released in Bahrain by Dr Astrit Sulstarova, Chief, Trends and Data Section, Division on Investment and Enterprises, UNCTAD, at an event organized by UNCTAD and Bahrain's Economic Development Board (EDB). Among the GCC countries, the UAE attracted the highest amount of FDI with $20.6bn, while Saudi Arabia drew $19.8bn, Oman $3.6bn and Bahrain $1.7bn. This year, the business and investment climate has changed dramatically as the war in Ukraine results in a triple crisis of high food and fuel prices and tighter financing. Other factors clouding the FDI horizon include renewed pandemic impacts, the likelihood of more interest rate rises in major economies, negative sentiment in financial markets and a potential recession. (Zawya)

- **GCC banking sector profits surpass pre-Covid high –** A solid economic recovery and post-pandemic demand powered improving results during Q1-2022 for the GCC banking sector, it has emerged. A report issued by Kamco Invest yesterday notes the gain in oil prices since the start of the year also supported growth and business confidence as governments across the region stepped up economic investment plans backed by the additional oil earnings. Moreover, the loose fiscal policies in the region and globally that were implemented last year with an aim to boost investments also supported investment in businesses. Aggregate net profits for the sector soared to $10.9bn in Q1-2022, one of the highest quarterly levels on record, backed by higher profits across the GCC. In addition, for the first time, profits surpassed pre-Covid-19 high net profits of $10.2bn reported in Q3-2019. Banks in five of six countries reported double-digit aggregate growth in profits in Q1-2022 while Kuwait's growth was only slightly lower at 9%. The year-on-year (YoY) performance also showed healthy growth in profits across the markets. Bottomline was supported by marginal growth in net interest income and flattish non-interest income. Also supporting was a quarter-on-quarter (QoQ) drop in cost-to-income ratio that came at 39.6% led by a steep QoQ drop in operating expenses. (Zawya)
- **First regional Global Harmonized System in chemicals industry adopted across GCC –** First regional Global Harmonized System (GHS) standard has been adopted in the six GCC states in collaboration with the GCC Standardization Organization (GSO), which will ensure the safe labelling of chemicals in the region. According to the Gulf Petrochemicals and Chemicals Association (GPCA) the standard, entitled GSO 2654:2021 'Global Harmonized System (GHS) in Gulf Co-operation Council countries' was developed by GPCA and adopted by GSO with immediate effect on the territories of all six GCC states. Its adoption marks a major milestone for the chemical and petrochemical sector in the Arabian Gulf, as it will help to build momentum to collectively implement the Globally Harmonized System of Classification and Labelling of Chemicals in the region, GPCA noted. GHS was developed by the United Nations as a single worldwide system for classifying and communicating the hazardous properties of industrial and consumer chemicals. Transporting hazardous chemicals can pose a significant risk to people and the environment. As a major hub for the production and export of chemicals and petrochemicals, it is particularly important for the GCC region to have robust Environmental Health, Safety and Sustainability (EHS&S) standards that would prevent the devastating impact of chemical accidents and successfully communicate the hazards associated with chemical transportation. GPCA noted the GCC chemical industry produced 150mn tonnes of products worth $54.1bn in 2020. This figure is estimated to be significantly higher in 2022 as a result of a buoyant market, which saw petrochemical demand and product prices grow significantly. As the first of its kind in the GCC region, GSO 2654:2021 will become the standard for product stewardship and will help to dramatically transform the EHS&S landscape across the entire chemical and petrochemical value chain. (Gulf Times)
- **Secretary-General of GCC countries meets officials of Gulf Economic Affairs Authority –** Secretary General of the GCC countries, Dr Nayef Falah M al-Hajraf, met with senior officials of the Economic and Development Affairs Authority of GCC. During the meeting, multiple topics were discussed, most notably the importance of activating the role and tasks of the Economic and Development Affairs Authority to advance the joint Gulf action in the economic and development fields, in addition to achieving a qualitative leap in this field, and following up on the completion of the requirements of the Gulf common market, the customs union and the Economic Judicial Authority, leading to the economic unity in in 2025, as well as the governance of preparing, financing and following-up studies of joint Gulf action in the economic and development fields. The meeting also discussed economic and development issues of interest to the GCC states, taking the necessary decisions in this regard, considering policies, recommendations, studies and projects that would develop co-operation, coordination and integration among the GCC states in these areas. Dr al-Hajraf underscored the importance of creating all the legal, structural, financial and human factors that are vital to develop the economic dimension of the joint Gulf action to progress it to the advanced stages that have been achieved in many other fields and domains. (Gulf Times)
- **Saudi Arabia to introduce new visa regime for GCC residents –** Minister of Tourism Ahmed Al-Khateeb has revealed that Saudi Arabia will introduce a new visa scheme for the Gulf Cooperation Council (GCC) residents soon. Al-Khateeb stressed that the tourist visas launched by the Kingdom in 2019 still exist and there are no specific restrictions for those coming for tourism. In an interview with CNBC Arabic on Wednesday, Al-Khateeb said that 64mn domestic trips were made in the Kingdom during 2021, while the number of visitors from abroad reached 5mn last year. He pointed out that the tourism sector in the Kingdom shrank by 40% during the pandemic. Al-Khateeb confirmed that the Al-Bujairi area in the Diriyah project is expected to open this year. "The sector's contribution to job creation was 3% in 2019 and we target to reach 10% by 2030," he said. "The job sector in the Kingdom grew by 15% to 820,000 jobs between 2019 and now," he added. "We aim to spend more than $200bn by 2030." Al-Khateeb said, "We aim to reach the sector's contribution to the Kingdom's GDP to about 10% by 2030." According to Al-Khateeb, the tourism sector's contribution to the Kingdom's GDP was 3% when the tourism strategy was launched in September 2019. (Zawya)
- **Alkhorayef Water wins $493mn contracts in Saudi Arabia –** Alkhorayef Water and Power Technologies Company has been awarded four contracts worth SAR 1.85bn to enhance water services in Saudi Arabia. Alkhorayef Water will handle the engineering, procurement, and construction of transmission lines, distribution networks, pumping stations, and reservoirs in the Eastern Region, according to a bourse filing on Thursday. Two of the projects will be carried out in Dammam at a value of SAR 504.85mn and SAR 592.25mn with a duration period of 24 and 30 months, respectively. Meanwhile, the two other developments will be implemented in Khobar and Qatif over 30 months at a cost of SAR 499.36mn and SAR 258.75mn, respectively. The Saudi firm was awarded the contracts from the Ministry of Environment, Water, and Agriculture on 21 April this year, while they were signed on 8 June. Alkhorayef Water pointed out that the projects will reflect on its financials as of the fourth quarter (Q4) of 2022. Last April, the listed company signed an operation and maintenance deal with the National Water Company (NWC) at a total value of SAR 195.85mn. (Zawya)
- **Alkhorayef Water inks $68.53mn financing agreement with Riyad Bank –** Alkhorayef Water and Power Technologies Company has signed an agreement to obtain Sharia-compliant financing worth SAR 256.96mn from Riyad Bank. Valid until 30 December 2024, these facilities will be used to finance the company's new project, aiming to improve water networks in Al-Khobar city, according to a bourse filing on Thursday. The company has offered promissory notes to guarantee the financing. It is noteworthy to mention that Alkhorayef has been awarded four contracts worth SAR 1.85bn to enhance water services in Saudi Arabia. (Zawya)
- **NWC inks $1.14bn contracts in Saudi Arabia –** Saudi Arabia's National Water Company (NWC) has been awarded and signed 11 contracts from the Ministry of Environment, Water, and Agriculture at a total value of SAR 4.30bn. The Saudi firm will carry out projects in Dammam, Khobar, Al Ahsa, and Qatif to support the infrastructure of the water system in the Eastern Province, the ministry announced on Wednesday. Through the partnership with the private sector, the awarded agreements come in line with Saudi Arabia Vision 2030 while aiming to increase the domestic economic output and enhance water services in the Kingdom. Meanwhile, the company noted that there are three additional water and environmental projects under bidding at a combined cost of SAR 1.20bn. Earlier this year, NWC penned a water services deal with a Saudi-Spanish consortium at a value of SAR 399mn. (Zawya)
- **Saudi cuts crude supply to some Chinese refiners in July –** Saudi Aramco has notified at least five North Asian refiners, mostly Chinese, that it will be supplying less than contracted volumes of crude oil in July, several sources with knowledge of the matter said on Thursday. The cuts to Chinese refiners come as more cheap Russian oil heads to the world's top oil importer, which has refused to condemn Russia's invasion of Ukraine. Chinese oil demand has also been depressed by COVID-19 restrictions in the past two months. In addition, demand for Saudi crude has been climbing in Europe where the European Union has moved to phase out Russian crude and European buyers are racing to find other suppliers. "Saudi crude supply is very tight in the market," a Singapore-based trader said. Four major Chinese refiners and one in North Asia will be receiving less Saudi crude oil loading in July, the sources said. Another three North Asian refiners and one South Asian refiner are receiving full allocations, they said. Saudi Aramco is also stepping up crude

shipments to its joint venture refinery with Malaysia's Petronas in Pengerang, one of the sources said. Saudi Aramco did not immediately respond to a request for comment. Saudi's oil supply cuts to China also come after the world's top oil exporter raised its official selling prices (OSPs) more than expected. (Zawya)

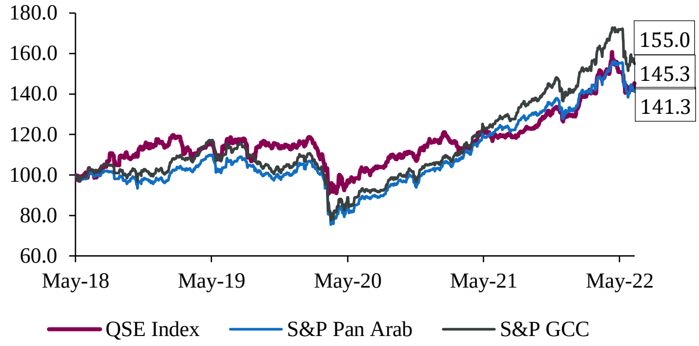
- **Saudi Arabia, EU discuss Schengen visa exemption for Saudis –** Saudi officials discussed with their European counterparts the ways of facilitating visa-free entry of Saudi citizens to the Schengen countries. Deputy Minister of Foreign Affairs Waleed Al-Khereiji received in Riyadh the Deputy Secretary-General/Political Director of the European External Action Service (EEAS), Enrique Mora, and his accompanying delegation. During the meeting, they discussed bilateral relations between the Kingdom and the EU, political matters of common interest, and mutual visits. The meeting was attended by the Head of Saudi Mission to the EU, Ambassador Saad Al-Arify, and the EU Ambassador to the Kingdom Patrick Simonnet. (Zawya)
- **Office occupancy in Riyadh surges to 96% due to influx of foreign businesses –** Demand for office space in Saudi Arabia, particularly Riyadh, has surged as more and more investors from abroad are setting up businesses in the kingdom, according to a new analysis by Knight Frank. The Gulf state, which had launched an ambitious plan six years ago to transform its economy, recorded a 358% jump in the number of international business licenses last year, indicating growing foreign interest in Saudi as an investment destination. Most of the foreign companies that want to do business in Saudi are looking at Riyadh as their base. "Businesses from the world over continue to clamor for a piece of the unfolding economic transformation in Saudi Arabia," said Faisal Durrani, Partner – Head of Middle East Research at Knight Frank. With the rise in demand, occupancy levels across Riyadh's prime office buildings have climbed to 96%, the highest in at least five years, according to Knight Frank. At the same time, office rents have also gone up by as much as 6.5% in the last 12 months to reach 1,560 riyals ($415.8) per square metre. (Zawya)
- **CMA approves Alamar Foods IPO, Saudi Networkers Services' Nomu listing –** The Capital Market Authority (CMA) has greenlighted the initial public offering (IPO) of Alamar Foods Company. Alamar Foods plans to list 10.63 million shares, representing 41.69% of its capital, on the Saudi Exchange (Tadawul), according to a recent bourse disclosure. The CMA also approved the Saudi Networkers Services Company's request to trade 25% of its capital on the Parallel Market (Nomu) of Tadawul. Saudi Networkers Services intends to list 1.50mn shares. (Zawya)
- **UAE's trade surplus with GCC countries at $37bn in 2021 –** The UAE's trade surplus with other Gulf Cooperation Council (GCC) countries in 2021 was valued at AED134.7bn, according to figures from the Federal Competitiveness and Statistics Centre. The figures showed a 26% increase in trade between the UAE and GCC countries in 2021, with a value of AED247.5bn and weighing 68.7mn tonnes, compared to AED196.5bn in 2020 with a weight of 59.9mn tonnes. UAE imports from GCC countries in 2021 rose in value to AED56.3bn, weighing 27.9mn tonnes, compared to AED43.8bn with a weight of 26.5mn tonnes in 2020. The UAE's non-oil exports to GCC countries at the end of 2021 stood at AED71.9bn, weighing 36.4mn tonnes, compared to AED48.8bn with a weight of 29.3mn tonnes at the end of 2020. The value of re-exports at the end of 2021 amounted to AED119.1bn, weighing 4.3mn tonnes, compared to AED103.8bn with a weight of 4.08mn tonnes at the end of 2020. (Zawya)
- **UAE tops Arab countries as best FDI attraction hub –** The United Arab Emirates has been ranked as the best country in the Arab World in terms of attraction of Foreign direct investment (FDI) for 2021, according to the newly released United Nations Conference on Trade and Development's (UNCTAD) World Investment Report 2022. The UAE remained the largest recipient of FDI with flows increasing from US$19.88bn in 2020, to US$20.7bn in 2021. The report showed that global flows of FDI recovered to pre-pandemic levels last year, reaching US$1.58tn, an increase of 64% compared to 2020. (Zawya)
- **Dubai diamonds shine bright as first-quarter records $11bn trade –** Dubai's diamond industry is truly flourishing as the first quarter ended on robust note making it evident that the emirate continues to maintain its leading position as a world-leading diamond trade hub. DMCC announced on Friday that a total of $11bn (Dh40.4bn) of rough and polished diamonds were traded in the UAE in Q1 this year, up 36% from the same period in 2021. The significant growth was led by an 80% increase in the value of polished diamonds traded, which reached $4bn (Dh14.7bn) for the quarter. "After announcing that the UAE became the world's largest rough diamond trade hub at the Dubai Diamond Conference earlier this year, DMCC stated that it was swiftly growing in polished trade as well," said Ahmed bin Sulayem, executive chairman and chief executive officer, DMCC. "The 80% increase in the value of polished diamonds traded in the UAE in the first quarter of 2022 clearly demonstrates robust market conditions. Through DMCC's world-class facilities and services, along with a hyper-connected business environment, Dubai's diamond industry is truly flourishing across the board," added Sulayem. Growth in polished diamonds demonstrates Dubai's ability to become a major polished diamonds distribution hub. The rough segment also saw strong growth in Q1, with a 20% year-on-year increase to $7bn (Dh25.7bn). Trade flows from Africa and Europe accounted for over 96% of the UAE's rough trade in Q1. (Zawya)
- **E-commerce spends grew two times the growth of POS in Q1 –** E-commerce spending in the UAE grew at double the rate of point of sale (POS) transactions in the first quarter of 2022 compared to the same quarter a year earlier. This is according to Network International, the leading enabler of digital commerce across the Middle East and Africa (MEA). The rise in online spending – which includes both debit card and credit card transactions – was led by digital payments in the government sector followed by restaurants, supermarkets and convenience stores, which accounted for more than 45% of total spend volumes. As the UAE's largest merchant acquirer and the largest payment solutions company in the MEA region, Network International's platforms deliver comprehensive insights into all the payment transactions within an enterprise, while offering merchants the agility to build peerless customer experiences and increase acceptance capabilities. (Zawya)
- **Businesses in Dubai see robust expansion as tourist arrivals surge –** Non-oil businesses in Dubai witnessed a robust expansion in May owing to significant improvement in the travel and tourism sector and a recovery in sales, according to a recent business survey. However, overall business confidence plunged to a one-year low due to cost pressures triggered by uncertainty in global markets. The S&P Global Dubai Purchasing Managers' Index (PMI) rose to 55.7 in May, up from 54.7 in April, indicating a robust improvement in the health of the non-oil private sector. The latest reading is the highest since June 2019. David Owen, Economist, S&P Global Market Intelligence, said: "May's PMI data for the Dubai non-oil economy had two prominent findings: firstly, that global energy market volatility drove cost inflation to an over four-year high; and secondly, that a fast-recovering tourism sector is now masking weak performances in the rest of the economy." According to the S&P PMI survey, panelists often noted an improvement in client demand as markets recovered from the pandemic. However, there was a considerable disparity in sales performance by sector. "On the new orders side, travel & tourism was the only sector to see an acceleration in growth in May, rising to the quickest pace for nearly three years. By comparison, wholesale & retail growth eased to a three-month low, while construction recorded the first decrease in new work since last September," Owen said. (Zawya)
- **Dubai tourist arrivals jump 203% in four months, crosses 5mn mark –** Dubai's tourism sector continues to recover fast after the Covid-19 pandemic as the emirate recorded a massive increase in tourist arrivals in the first four months of this year. According to Dubai Media Office, the number of visitors to the city reached 5.1mn during January-April 2022, registering a major increase of 203%. The increased flow of tourists helped improve hotel occupancy across the emirate, which reached 76% during the period. Dubai received almost four million international overnight visitors between January and March 2022, a huge year-on-year growth of 214%. The city also ranked No.1 globally in hotel occupancy in the first quarter of 2022, with 82%. Foreign tourists' trust on the UAE and Dubai has further improved after successful handling of the pandemic and also due to its status as a one of the world's safest cities. Recently, Dubai was rated the third safest city to travel for females solo travellers, thanks to a very low crime rate, according to a study by InsureMyTrip, a UK-based travel insurance company. STR Global's preliminary data has revealed that Dubai hotels recorded occupancy and average daily rates (ADR) that exceeded the 2019 Eid Al Fitr comparables, according to preliminary data. Similarly, Dubai's occupancy came in at 75.4% during the Eid, which was 19.7% higher than the pre-pandemic comparable. Philip Wooller, STR's senior director for the Middle East and Africa, said Dubai saw rates over Dh700, which was up from Dh400 in 2019. (Zawya)
- **Philippines, UAE boost economic cooperation –** The Philippines and the United Arab Emirates (UAE) signed an investment promotion and protection agreement (IPPA) on Thursday in Dubai. According to Trade Secretary Ramon Lopez Jr. and UAE Ministry of Finance (MOF) Minister of State Hadi Al Hussaini who signed the IPPA, this landmark agreement is set to boost bilateral investments and bolster economic cooperation between the two countries. Philippine Ambassador to the UAE Hjayceelyn Quintana, who witnessed the signing, highlighted the timeliness of the IPPA as the two countries forge stronger relations, expanding the depth and breadth of cooperation across many areas, including trade and investment. (Bloomberg)

- **UAE-India to launch series of sector-specific initiatives to boost Cepa –** The UAE-India Comprehensive Economic Partnership Agreement (CEPA) is all set to launch sector-specific programs and initiatives to address initial 'teething challenges' on both sides. Addressing the Indian business community on Thursday, during 'UAE-India Comprehensive Economic Partnership Agreement A Watershed in the Strategic Partnership', Dr Aman Puri, The Consul-General of India in Dubai, said: "Trade relations between both UAE and India have reached a point where both the economies can immensely benefit from each other offering tremendous business opportunities. The current year will witness huge investments from the UAE into India and vice-versa." India was the second-largest trading partner of the UAE in 2021 has accounted for 9% of the total volume of the UAE's trade with the world, and 13% of the UAE's non-oil exports, while the non-oil foreign trade between the two countries in 2021 reached Dh165bn, a growth of 66% compared to 2020. Within the next five years, India seeks to grow the value of such bilateral trade to $100bn (Dh367bn), further securing India's place as one of the UAE's most significant and trusted commercial partners. Sunjay Sudhir, Ambassador of India to the UAE assured that both governments are actively chalking the architecture to facilitate Cepa. The new initiatives will organize a series of programs for gems and jewelry; petroleum products; engineering goods; textiles; electronic goods; drugs and pharmaceuticals; and food & agro products. "The plan is to introduce a three-pronged strategy focusing on 15 buyers and sellers meet focusing on key markets every fortnight; focused participation of 11 exhibitions; and set up a platform for addressing and facilitating India exports," said Sudhir. (Zawya)
- **UAE, European Union explore further cooperation –** Sheikh Shakhboot bin Nahyan bin Mubarak Al Nahyan, Minister of State, has received Jutta Urpilainen, Commissioner for International Partnerships at the European Union, and explored further cooperation between the UAE and the EU, especially with regards to sub-Saharan Africa. The two sides discussed political priorities and related programs, including the UN Sustainable Development Goals, the European Green Deal, global recovery and the European Union's global initiative, in addition to seeking ways to support regions and countries of common interest, including the Horn of Africa. They also discussed the latest economic and trade developments in Africa and a number of essential issues in the continent, particularly in the health, education, digital transformation and energy sectors. Sheikh Shakhboot affirmed the UAE's eagerness to strengthen partnerships with friendly European Union countries and support cooperation across all domains. Urpilainen praised the leading position that the UAE enjoys at the regional and international levels and its developmental achievements in all fields. She also highlighted the importance of joint action in African countries' humanitarian work and industrial sectors. (Zawya)
- **AMF: ADX records highest trading value in Arab region in May 2022 –** According to the monthly newsletter covering Arab financial markets published today by the Arab Monetary Fund (AMF), the Abu Dhabi Securities Exchange (ADX) recorded the highest increase in trading value among Arab financial markets in May 2022 at 292.64% while the Palestine Exchange topped the list in terms of trade volume increase. The AMF noted that the return of activity of initial public offerings (IPO) have boosted the performances of Arab financial markets in May 2022, increasing the value of overall trading to nearly US$107.22bn. The AMF's composite index of Arab capital markets recorded a decrease of 1.29% at the end of May 2022 compared with the end of April 2022, reaching some 502.73 points. The market value of Arab markets recorded a slight decrease by 0.6%, amounting to $5.168bn, at end of May 2022. The Beirut Stock Exchange topped Arab exchanges in terms of market capitalization gains with an increase of 39.50%, reflecting the rise in trading activity in the banking sector. Arab exchanges recently continued their efforts to expand their scope through new offerings, most notably the IPO of "Borouge" on the Abu Dhabi Stock Exchange, which is the largest initial offering in the history of the market and recorded total proceeds of some $2bn, supporting the market's activity. Concerning the value of trading in Arab exchanges, May 2022 witnessed an increase in the value of trading of Arab financial markets listed in the AMF's database by 36.45% compared with the end of April 2022, which is due to increased trading in six Arab stock exchanges. However, eight Arab exchanges witnessed declines in their trading during the same period. The trading volume of Arab exchanges increased by some 3.61% in May 2022, reflecting the rise in the trading volumes of seven Arab exchanges while eight Arab exchanges recorded declines in their trading at the end of May 2022. In terms of market value, financial markets recorded a slight decrease of about 0.63% at the end of May 2022 compared to the end of April 2022, reaching a value of $5.168bn. (Zawya)
- **DMCC boosts Dubai–US relations –** DMCC - the world's flagship Free Zone and Government of Dubai Authority on commodities trade and enterprise – has signed an agreement with the United States' Brooklyn Chamber of Commerce that will see the two entities work together on a number of beneficial initiatives to promote trade and support the international expansion of American businesses through Dubai. DMCC will work with the Brooklyn Chamber to support New York-based businesses in setting up their operations in Dubai, utilizing the emirate's status as a gateway to some of the world's fastest-growing markets. Similarly, the partnership will look to facilitate the expansion of DMCC's member companies into the US market. Ahmed bin Sulayem, Executive Chairman and Chief Executive Officer of DMCC, said, "DMCC is thrilled to collaborate with the Brooklyn Chamber of Commerce to create new, mutual opportunities for growth across enterprise and culture. Both New York and Dubai are hyper-connected business hubs that share a forward-thinking, dynamic landscape for trade. "As Brooklyn continues to evolve, we look forward to working alongside the Brooklyn Chamber of Commerce, its future-driven organization and 62,000 members by providing them a path to grow and thrive in Dubai." Given DMCC's particular focus on commodities trade, the partnership will also see Brooklyn Chamber of Commerce promote the services offered by DMCC's Dubai Diamond Exchange (DDE), Tea Centre and Coffee Centre to commodities businesses within the New York business community. (Zawya)
- **Abu Dhabi, China's Shandong to enhance industrial and technological cooperation –** The Abu Dhabi Department of Economic Development (ADDED) and Shandong Province, People's Republic of China, have signed a Memorandum of Understanding to enhance cooperation, exchange expertise and data on an industrial sector front. The signing comes as the two sides work toward further boosting investment opportunities and affirming Abu Dhabi's unique market attributes. Rashed Abdulkarim Al Blooshi, Under-Secretary of ADDED, and Wang Xiao, Deputy Director-General of the Department of Industry and Information Technology in Shandong Province, virtually signed the MoU. The agreement aims to establish a mechanism for exchanging information to enhance industrial cooperation and facilitate delegation visits and investor meetings. It also seeks to organize entrepreneurship and management consultancy training programs between companies on both sides. (Zawya)
- **FDI inflows to Bahrain increase 73% in 2021 –** Bahrain's Foreign Direct Investment (FDI) inflows increased by $1.766bn in 2021, marking a 73% year-on-year increase and surpassing the global FDI average growth, according to the 2022 World Investment Report issued by the United Nations Conference of Trade and Development (UNCTAD). According to the report, the Kingdom's inward FDI stocks increased by 6% from 2020, reaching $33.47bn in 2021. Investment in 2021 was primarily directed at Bahrain's financial services, manufacturing, and mining & quarrying industries, according to the Information & eGovernment Authority of Bahrain. The World Investment Report focuses on FDI trends at a regional and country level, as well as emerging measures to improve its contribution to economic development. It highlighted that global FDI has recovered to pre-pandemic levels in 2021 and has reached $1.6tn, an increase of 64% from booming merger and acquisition activity, as well as rapid growth in international project finance from loose financing and major infrastructure stimulus packages. (Zawya)
- **Bahrain 'sees rise in rental values' –** Demand for rental properties across villas and townhouses has remained strong across Bahrain during Q1-2022, shows new analysis from Savills. The British real estate services firm released its Bahrain Market in Minutes report for the first quarter of the year, with a marginal rental price increase of 1.5% to 2% year-on-year (y-o-y) across the high-end and the low-end segment in the kingdom listed as a key highlight. The report found that capital values across the residential real estate segment remained largely stable across the kingdom on a quarterly basis. However, when compared annually, the capital value index for apartments and villas dropped by an average 1.2% and 2.6%, respectively. Rents across apartments on the other hand have largely remained stable on a quarterly basis. A revival in economic activity followed by a strong push from the government and a general improvement in market sentiment has led to an increase in demand for office space across the city, consequently leading to an increase in asset pricing, according to the report. The value of real estate trading reached BD1.04bn in 2021, an increase of 46% compared to 2020 when BD717mn worth of property transactions took place. It was also 29% higher than 2019 when properties worth BD804mn were transacted. The stability that was witnessed in the office rental market in 2021 extended into the first quarter of this year supported by the low-end segment, recording a 1.6% y-o-y price increase. (Zawya)
- **Kuwaiti non-oil sector to witness 'upward growth' in coming years –** A recent government economic report referring to the development of the main indicators of the Kuwaiti economy during the period between 2020 and 2022 expected that the Kuwaiti non-oil sector would witness upward growth in the coming years thanks to the new gains in the field of refining of the two environmental fuel projects and Al-Zour refinery, reports Al-Qabas daily. The

special government report pointed to the development of the main indicators of the Kuwaiti economy during 2020-2022 at the level of gross domestic product, as the Kuwaiti economy witnessed a significant recovery at the beginning of 2022 as a result of the rise in international oil prices to their highest levels with the escalation of tension between Russia and Ukraine. This led to an increase in concerns about oil supplies and pushed its price to more than $100 a barrel, indicating that the gradual improvement in the global oil prices began in 2021 coinciding with the OPEC+ alliance agreement to reduce oil production levels as an attempt to save global oil markets after their collapse during the corona pandemic, which in 2020, generated large budget deficits in many countries, including Kuwait. (Zawya)

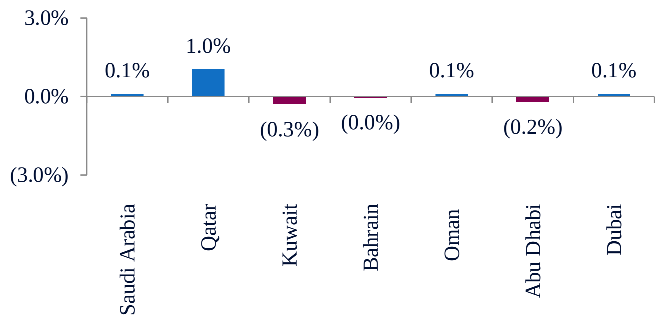
- **Increase in prices of imported and local goods in Kuwait –** The Central Statistical Bureau says the general index of the wholesale price in Kuwait rose by 2.3% in 2021 to reach the level of 141.7 in December 2021, from 138.6 in December 2020. The prices of imported goods increased by 3.2%, and the prices of local goods increased by 0.6%, reports Al-Anba daily. The report, which focused on the price movement between December 2020 and December 2021, showed an increase in the prices of materials included in the agricultural and fishing group by 1.4%, as a result of increase in the prices of crop cultivation and animal production activities by one%, and increase in the prices of imported goods by 0.8%, and in the prices of domestic goods by 3.1%. The index of the “mines and quarries” group increased by 8.9% as a result of an increase in the prices of crushed sand and stones by 9.5% of imported goods by 7%, and of local goods by 11.8%. The index of the “manufacturing industries” group increased by 2.4% during the year. This was because of an increase in the prices of manufacturing food products by 0.1% of producing beverages by 1.1% of making clothes by 4.2%, of producing chemicals and chemical products by 0.8%, of making base metals by 17.5%, of imported goods by 3.4% and of local commodity by 0.5%. By classifying materials according to the stage of production, it was noted that the prices of raw materials, intermediate materials and final materials increased by 1.9%, 7.2%, and 0.9% respectively. In terms of end use, it was noted that the prices of consumables, capital materials, and materials prices increased by 0.9%, 0.8%, and 5.2% respectively. (Zawya)
- **Movement of exports, imports of goods picked up momentum in ’21 –** Official government data says the movement of exports and imports of goods in Kuwait rebounded in 2021 to overcome the repercussions of the corona virus pandemic, as it exported and imported goods worth 28.66 billion dinars during 2021, an increase of about 38%, with a value of 7.9bn Dinars, over 2020, reports Al-Anba daily. Compared to pre-pandemic levels, merchandise exports and imports have returned to pre-pandemic levels, with 2021 figures declining by only one billion dinars, as they recorded 28.66bn Dinars, compared to 29.7bn Dinars in 2019. In detail, the figures indicate about 66.3% of the movement of exported and imported goods in Kuwait, amounting to 19.04bn Dinars exports in 2021, which is about 6.8bn Dinars more than the volume of Kuwait’s merchandise imports in 2020, while the volume of 2021 imports is close to pre-pandemic Corona levels, which was about 19.54bn Dinars in 2019. (Zawya)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close ($)	1D%	WTD%	YTD%
Gold/Ounce	1,871.60	1.3	1.1	2.3
Silver/Ounce	21.89	0.9	(0.2)	(6.1)
Crude Oil (Brent)/Barrel (FM Future)	122.01	(0.9)	1.9	56.9
Crude Oil (WTI)/Barrel (FM Future)	120.67	(0.7)	1.5	60.4
Natural Gas (Henry Hub)/MMBtu	8.65	6.0	3.7	136.3
LPG Propane (Arab Gulf)/Ton	122.50	(1.2)	(2.3)	9.1
LPG Butane (Arab Gulf)/Ton	125.50	(3.4)	(11.2)	(9.9)
Euro	1.05	(0.9)	(1.9)	(7.5)
Yen	134.41	0.0	2.7	16.8
GBP	1.23	(1.4)	(1.4)	(9.0)
CHF	1.01	(0.8)	(2.6)	(7.7)
AUD	0.71	(0.6)	(2.1)	(2.8)
USD Index	104.15	0.9	2.0	8.9
RUB	118.69	0.0	0.0	58.9
BRL	0.20	(1.6)	(4.3)	11.7

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,641.69	(2.9)	(4.9)	(18.3)
DJ Industrial	31,392.79	(2.7)	(4.6)	(13.6)
S&P 500	3,900.86	(2.9)	(5.1)	(18.2)
NASDAQ 100	11,340.02	(3.5)	(5.6)	(27.5)
STOXX 600	422.71	(3.9)	(5.8)	(20.0)
DAX	13,761.83	(4.3)	(6.7)	(19.5)
FTSE 100	7,317.52	(3.7)	(4.1)	(9.9)
CAC 40	6,187.23	(3.9)	(6.5)	(20.1)
Nikkei	27,824.29	(1.6)	(2.4)	(17.1)
MSCI EM	1,054.64	(1.2)	(0.6)	(14.4)
SHANGHAI SE Composite	3,284.83	1.2	2.0	(14.5)
HANG SENG	21,806.18	(0.3)	3.4	(7.4)
BSE SENSEX	54,303.44	(2.2)	(3.2)	(11.1)
Bovespa	105,481.23	(3.7)	(9.2)	11.9
RTS	1,268.83	4.6	5.8	(20.5)

Source: Bloomberg ($ adjusted returns, # Data as of June 10, 2022)*

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