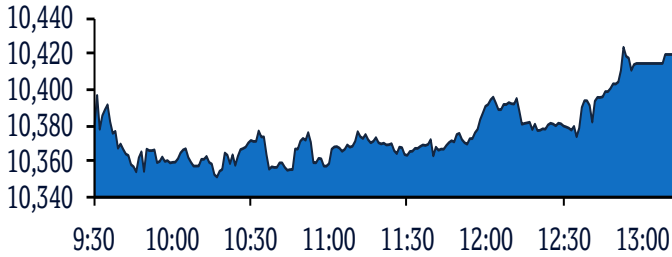


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.3% to close at 10,420.1. Gains were led by the Consumer Goods & Services and Industrials indices, gaining 1.6% and 0.4%, respectively. Top gainers were Medicare Group and Qatari Investors Group, rising 10.0% each. Among the top losers, Qatar Oman Investment Company fell 7.1%, while Ahli Bank was down 4.9%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.3% to close at 9,000.4. Gains were led by the Utilities and Pharma, Biotech indices, rising 1.2% and 0.8%, respectively. Maharah Human Resources Co. rose 10.0%, while Methanol Chemicals Co. was up 3.9%.

Dubai: The DFM Index gained 0.6% to close at 2,628.8. The Consumer Staples and Discretionary index rose 1.8%, while the Services index gained 1.1%. Emaar Malls rose 3.8%, while Al Salam Group Holding was up 2.9%.

Abu Dhabi: The ADX General Index gained 0.2% to close at 4,912.3. The Consumer Staples and Energy indices rose 1.1% and 1.0 respectively. Abu Dhabi National Energy Company rose 10.1%, while International Holdings Company was up 5.6%.

Kuwait: The Kuwait Main Market Index fell 0.5% to close at 4,752.5. The Telecommunications index declined 1.9%, while the Insurance index fell 1.8%. National Cleaning Co. declined 9.8%, while Kuwait Insurance Co. was down 9.7%.

Oman: The MSM 30 Index fell 0.1% to close at 3,915.2. The Services index declined marginally, while the other indices ended in green. Muscat City Desalination fell 7.9%, while Global Financial Investment was down 6.7%.

Bahrain: The BHB Index gained 0.1% to close at 1,451.4. The Services index rose 1.0%, while the Commercial Banks index gained 0.1%. Bahrain Duty Free Shop Complex rose 6.9%, while Nass Corporation was up 5.3%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Medicare Group	62.26	10.0	277.4	(1.3)
Qatari Investors Group	24.20	10.0	206.6	(13.0)
Al Khaleej Takaful Insurance Co.	20.54	10.0	866.9	139.1
Islamic Holding Group	2.34	9.9	2,865.9	7.1
The Commercial Bank	4.88	4.9	2,782.3	23.9

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.41	(1.5)	10,888.8	(0.2)
Qatar International Islamic Bank	7.35	0.8	4,859.3	11.2
Doha Bank	2.48	0.4	4,222.0	11.7
Dlala Brokerage & Inv. Holding Co.	0.95	3.3	3,216.8	(4.8)
Islamic Holding Group	2.34	9.9	2,865.9	7.1

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,420.14	0.3	(0.9)	1.4	1.2	86.30	158,087.0	14.6	1.6	4.2
Dubai	2,628.83	0.6	(0.2)	0.3	3.9	30.42	95,361.0	11.7	1.0	4.7
Abu Dhabi	4,912.33	0.2	(1.0)	(1.8)	(0.1)	37.49	136,514.0	14.6	1.5	5.1
Saudi Arabia	9,000.43	0.3	0.7	5.7	15.0	1,424.39	568,237.3	20.4	2.0	3.3
Kuwait	4,752.50	(0.5)	(1.1)	0.3	0.3	97.60	32,736.6	14.4	0.9	3.9
Oman	3,915.23	(0.1)	(0.1)	(0.5)	(9.4)	1.79	16,987.0	7.7	0.8	7.0
Bahrain	1,451.42	0.1	0.2	1.2	8.5	4.48	22,524.6	10.6	0.9	5.2

Source: Bloomberg, Qatar Stock Exchange, Tadawul, Muscat Securities Market and Dubai Financial Market (** TTM; * Value traded (\$ mn) do not include special trades, if any)

Market Indicators	18 June 19	17 June 19	%Chg.
Value Traded (QR mn)	315.9	271.6	16.3
Exch. Market Cap. (QR mn)	575,489.6	575,130.7	0.1
Volume (mn)	44.6	30.9	44.2
Number of Transactions	7,695	7,351	4.7
Companies Traded	45	44	2.3
Market Breadth	23:21	7:33	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,173.93	0.3	(0.9)	5.7	14.6
All Share Index	3,084.09	0.2	(0.5)	0.2	14.7
Banks	4,046.75	0.2	0.6	5.6	14.1
Industrials	3,245.65	0.4	(2.0)	1.0	16.3
Transportation	2,427.56	(0.3)	(0.6)	17.9	13.0
Real Estate	1,532.46	(1.0)	(2.1)	(29.9)	12.8
Insurance	3,137.14	0.1	(0.5)	4.3	18.1
Telecoms	902.23	0.1	(2.0)	(8.7)	18.5
Consumer	8,061.00	1.6	0.2	19.4	15.8
Al Rayan Islamic Index	4,042.64	0.4	(1.1)	4.1	13.8

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
The Commercial Bank	Qatar	4.88	4.9	2,782.3	23.9
Emaar Malls	Dubai	1.93	3.8	3,139.8	7.8
National Industrialization	Saudi Arabia	17.20	1.7	3,887.7	13.8
Saudi Kayan Petrochem.	Saudi Arabia	12.74	1.6	12,473.2	(3.5)
Co. for Cooperative Ins.	Saudi Arabia	74.00	1.4	429.5	22.7

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Mobile Telecom. Co.	Kuwait	0.54	(2.2)	6,095.5	20.5
VIVA Kuwait Telecom Co.	Kuwait	0.82	(1.7)	72.3	2.4
Human Soft Holding Co.	Kuwait	3.17	(1.6)	231.8	(3.4)
GFH Financial Group	Dubai	0.86	(1.5)	11,211.8	(4.7)
Qatar Electricity & Water	Qatar	166.30	(1.5)	53.4	(10.1)

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 Oman Investment Co.	0.52	(7.1)	242.9	(2.4)
Ahli Bank	2.94	(4.9)	81.8	15.5
Doha Insurance Group	11.81	(2.4)	4.5	(9.8)
Qatari German Co. for Med. Dev.	7.50	(1.8)	719.3	32.5
Qatar National Cement Company	64.80	(1.8)	7.6	8.9

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.10	(0.5)	39,015.4	(2.1)
Qatar International Islamic Bank	7.35	0.8	35,151.4	11.2
Mesaieed Petrochemical Holding	26.11	0.4	20,695.6	73.7
Qatar Gas Transport Company	21.80	0.0	17,306.7	21.6
Al Khaleej Takaful Insurance Co.	20.54	10.0	17,129.1	139.1

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index rose 0.3% to close at 10,420.1. The Consumer Goods & Services and Industrials indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Medicare Group and Qatari Investors Group were the top gainers, rising 10.0% each. Among the top losers, Qatar Oman Investment Company fell 7.1%, while Ahli Bank was down 4.9%.
- Volume of shares traded on Tuesday rose by 44.2% to 44.6mn from 30.9mn on Monday. However, as compared to the 30-day moving average of 48.1mn, volume for the day was 7.3% lower. Qatar First Bank and Qatar International Islamic Bank were the most active stocks, contributing 24.4% and 10.9% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	32.73%	41.82%	(28,711,209.00)
Qatari Institutions	10.49%	19.66%	(28,974,222.48)
Qatari	43.22%	61.48%	(57,685,431.48)
GCC Individuals	0.99%	0.61%	1,193,333.41
GCC Institutions	0.22%	1.42%	(3,789,759.02)
GCC	1.21%	2.03%	(2,596,425.61)
Non-Qatari Individuals	10.71%	11.16%	(1,440,313.67)
Non-Qatari Institutions	44.87%	25.32%	61,722,170.77
Non-Qatari	55.58%	36.48%	60,281,857.10

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
Alawal Bank	Moody's	Saudi Arabia	LT-FCR/ST-FBD/ ST-DBD/LT-FBD/ LT-DBD/LT-DCRR	A2/P-2/ P-2/A3/A3/A2	A1/P-1/ P-1/A1/A1/A1	↑	Stable	-

Source: News reports (* LT – Long Term, ST – Short Term, FCR – Foreign Counterparty Risk Rating, FBD – Foreign Bank Deposits, DBD – Domestic Bank Deposits, DCRR – Domestic Counterparty Risk Rating)

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06/18	EU	Eurostat	CPI Core YoY	May	0.8%	0.8%	0.8%
06/18	EU	Eurostat	CPI MoM	May	0.1%	0.2%	0.7%
06/18	EU	Eurostat	CPI YoY	May	1.2%	1.2%	-

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

Stock Split Dates for Listed Qatari Companies

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

Source: QSE

News

Qatar

- **QSE executes splits of share for QGMD** – Qatar Stock Exchange (QSE) announced that the split of shares for Qatari German Company for Medical Devices (QGMD) has been executed, effective from June 19, 2019. The new number of QGMD's shares after the split is 115,500,000 and the adjusted closing price of QR0.75 per share. QSE also sets price limits, (i) Price up limit: QR0.825 and (ii) Price down limit: QR0.675. (QSE)
- **QSE executes splits of share for ZHCD** – Qatar Stock Exchange (QSE) announced that the split of shares for Zad Holding Company (ZHCD) has been executed, effective from June 19, 2019. The new number of ZHCD's shares after the split is 143,891,750 and the adjusted closing price of QR12.8 per share. QSE also sets price limits, (i) Price up limit: QR14.08 and (ii) Price down limit: QR11.52. (QSE)
- **QSE executes splits of share for WDAM** – Qatar Stock Exchange (QSE) announced that the split of shares for Widam Food Company (WDAM) has been executed, effective from June 19, 2019. The new number of WDAM's shares after the split is 180,000,000 and the adjusted closing price of QR6.05 per share. QSE also sets price limits, (i) Price up limit: QR6.65 and (ii) Price down limit: QR5.45. (QSE)
- **Qatar equity landscape set to see enhanced liquidity on stock split** – With stock purchases becoming easier at lesser price, Qatar's equity landscape is set to see enhanced liquidity, thus helping retail investors expand their portfolio, and also offering an attractive option for foreign investment funds. Moreover, certain underlying stocks are expected to generate higher demand, which is also expected to enhance the global appeal of the Qatar Stock Exchange, which now has the emerging status according to various global index compilers. Companies listed on the Qatar Stock Exchange have been implementing the stock split, through which the nominal value of a share has become QR1 per share instead of the earlier QR10. The stock split results in enhanced free float, thereby increasing liquidity, but leaving the paid-up capital intact. (Gulf-Times.com)
- **Qatar Investment Authority looking for new investments** – Qatar Investment Authority (QIA), Qatar's sovereign wealth fund, is creating a unit to look out for new deals in emerging markets in Latin America, Africa and Asia, the Financial Times reported, citing the QIA's Chairman, Sheikh Mohammed bin Abdulrahman Al Thani. QIA is also increasing its investment plans in North America and Asia, where they are under-invested. QIA's investment target for the US will be increased by \$10bn, from previous target of \$35bn between 2015 and 2020. The Fund is selling its stakes in externally managed funds to focus on direct investments. Currently the Fund is focusing on technology sector, healthcare and industrial companies. QIA still has funds in some Qatari banks but will look to take cash out when right opportunity is found. (Bloomberg)
- **Qatar Holdings buys 3.3% position in Sirius Minerals** – Qatar Holdings took a position in Sirius Minerals Plc, buying 3.3% of the company's outstanding stock. The investor held 230mn shares, according to Sirius Minerals' filing. The stock has a current market value of \$39.6mn. (Bloomberg)
- **QF launches new funding initiative to support private sector** – Qatar Foundation Research, Development, and Innovation (QF

TDI) has marked the launch of its new funding initiative, 'Innovation Coupon', by signing an agreement with its first beneficiary, ADGS a local private sector SME that sells a suite of products that utilize artificial intelligence (AI), behavioral biometrics, and emergent behavior. Innovation Coupon is aimed at Qatar-based SMEs or startups in all sectors and industries that are engaged in the development of new technology-rich products and services. The fund is designed to benefit companies that have the needed capacity and technical knowledge to develop their product or service but require more support to resolve a specific technical or business problem. The fund may award up to 50% of the problem-solving costs for a period of up to six months. The funds were awarded after a rigorous assessment process where applicants are required to specify how the money will be spent, and the major milestones to be met. (Gulf-Times.com)

- **Qatar Airways wins 'Best Airline of the Year' for record fifth time** – Qatar Airways have won four prestigious prizes at this year's 2019 Skytrax World Airline Awards, including the highest accolade of 'World's Best Airline' – becoming the only airline in the competition's history to win it five times (2011, 2012, 2015, 2017 and 2019). The airline has been named 'Best Airline in the Middle East' for a third successive year, while its 'World's Best Business Class' accolade is the fourth year in succession that it has won that award. In retaining its 'World's Best Business Class Seat' award for its patented Qsuite product, the airline beat strong competition from all over the world. (Peninsula Qatar)
- **Vodafone Qatar covers the globe with its passport pack 119 countries included in Qatar's widest reaching roaming pack** – Vodafone Passport Pack, Qatar's widest reaching roaming pack, now covers more of the globe across 119 countries, with 15 new countries added this month including Nigeria, Zambia, Singapore, Philippines, Tunisia, Tanzania, Canada, Vietnam, Mexico and Mozambique. Vodafone Passport Pack is the only roaming pack in Qatar enabled on all operators across these 119 countries and has the widest 4G coverage. Vodafone Passport Pack allows customers to enjoy 1GB of data and 100 minutes of roaming calls for only QR100 per week. (QSE)

International

- **US housing starts drop in May masks some signs of improvement** – The US homebuilding fell in May, but groundbreaking activity in the prior two months was stronger than previously thought, pointing to some tentative signs of improvement in the struggling housing market. Land and labor shortages are, however, making it difficult for builders, especially in the single-family housing segment, to fully take advantage of a sharp decline in mortgage rates. That has left the housing market continuing to grapple with tight inventory and sluggish sales growth. The report from the Commerce Department came as Federal Reserve officials started a two-day policy meeting. Low inflation, a slowing economy and an escalation in the trade war between Washington and Beijing have led financial markets to fully price in an interest rate cut this year, pulling down mortgage rates. Housing starts dropped 0.9% to a seasonally adjusted annual rate of 1.269mn units last month amid a drop in the construction of single-family housing

units. Data for April was revised up to show homebuilding rising to a pace of 1.281mn units, instead of increasing to a rate of 1.235mn units as previously reported. Housing starts in March were also stronger than initially estimated. Economists polled by Reuters had forecast housing starts edging up to a pace of 1.239mn units in May. (Reuters)

- **Bank of England official flags risk of capital flight from UK** – Britain has become increasingly reliant since the 2016 Brexit referendum on flighty foreign funding that could be withdrawn at short notice, a Bank of England's (BoE) official said. Three years after voting to leave the European Union, Britain is riven by political turmoil and the future of Brexit looks less clear than ever, raising questions about prospects for the world's fifth biggest economy and its financing. Britain runs a big current account deficit - the difference between the money flowing in an out of the country - which leaves it reliant, in the words of BoE's Governor, Mark Carney, on the kindness of strangers to pay its way. (Reuters)
- **Draghi: ECB will provide more stimulus if inflation does not pick up** – European Central Bank (ECB) will need to ease policy again, possibly through new rate cuts or asset purchases, if inflation does not head back to its target, ECB's President, Mario Draghi said. "In the absence of improvement, such that the sustained return of inflation to our aim is threatened, additional stimulus will be required," Draghi told the ECB's annual conference in Sintra, Portugal. He added, "That aim is symmetric, which means that, if we are to deliver that value of inflation in the medium term, inflation has to be above that level at some time in the future. There was still considerable headroom for more asset purchases and further cuts in policy interest rates and mitigating measures to contain any side effects remain part of our tools. Will use all the flexibility within our mandate to fulfill our mandate – and we will do so again to answer any challenges to price stability in the future." (Reuters)
- **Eurostat: Eurozone's inflation confirmed slowing to one-year low in May** – Inflation in the Eurozone slowed to 1.2% in May, the lowest rate in more than a year, as price growth in the energy and services sectors slackened, the European Union statistics agency stated, confirming its earlier estimates. The final data is bad news for the European Central Bank (ECB), which targets a rate below but close to 2% and has promised further action if inflation does not pick up. Eurostat stated prices in the 19-country currency bloc went up by 1.2% on the year, slowing from 1.7% in April. It was the lowest growth rate since April 2018 when inflation was also recorded at 1.2%. On the month, prices were nearly stable, posting a 0.1% increase that was below market forecasts of a 0.2% rise, new data released by Eurostat showed. Prices slowed despite a record increase in Eurozone wage costs in the first quarter of the year. The apparent inconsistency could partly be explained by the fact that higher wage costs for firms do not always translate into more cash for consumers as payroll taxes remain high in the bloc. (Reuters)
- **ZEW: German investor morale drops on weak data, headwinds from abroad** – The mood among German investors deteriorated sharply in June, a survey showed, with the ZEW institute pointing to recent weak economic data and an escalating trade

dispute between China and the US. ZEW stated its monthly survey showed economic sentiment among investors plunged to -21.1 from -2.1 in May. Economists had expected a drop to -5.9. The June reading was the lowest level since November 2018 and marked the second consecutive monthly drop. A separate gauge measuring investors' assessment of the economy's current conditions edged down to 7.8 from 8.2 the previous month. Markets had predicted a slightly lower reading of 6.0. (Reuters)

- **Ifo cuts 2020 German growth forecast as industry recession broadens** – Germany's influential Ifo institute cut its 2020 German growth forecast for Europe's largest economy as it warned that a manufacturing recession was starting to spill over into other sectors. German exporters are struggling with weaker foreign demand, trade disputes and business uncertainty caused by Britain's expected departure from the European Union. The headwinds from abroad mean the economy is likely post meager growth this year. The Ifo institute confirmed its forecast that the economy would grow by 0.6% this year but trimmed its 2020 projection to 1.7% from 1.8%. (Reuters)
- **Japan's exports slide for sixth month as trade troubles knock demand, weaken outlook** – Japan's exports fell for a sixth straight month in May as China-bound shipments of semiconductor manufacturing equipment and car parts weakened, in a sign of a deteriorating outlook for growth as the trade-reliant economy faces persistent pressure from slowing external demand. Sluggish exports have been a source of concern among Japanese policymakers, especially as a bruising US-China tariff war has upended supply chains and hit global growth, trade and investment. Ministry of Finance data showed that exports declined 7.8% in May from a year earlier, down for the sixth straight month. The fall in shipments compared with a 7.7% annual decrease expected by economists in a Reuters poll, and followed a 2.4% year-on-year fall in April. The trade data comes on the heels of a Reuters poll of Japanese companies showing the economy is likely to stop expanding this year and into next as the Sino-US trade war and a planned sales tax hike are expected to crimp activity. (Reuters)
- **China central bank to issue 30bn Yuan worth of bills in Hong Kong** – China's central bank stated it will sell a total of 30bn Yuan worth of Yuan-denominated bills in Hong Kong on June 26, the fourth sale of such offshore bills in the city. People's Bank of China stated it will issue a 20bn Yuan one-month tranche and another six-month tranche worth 10bn Yuan next Wednesday, according to a statement. (Reuters)

Regional

- **OPEC still struggling with meeting dates, proposes July 1-2** – OPEC has again proposed to move dates of its next meeting, now suggesting July 1-2, sources said, as Saudi Arabia, Iran and non-OPEC Russia are struggling to agree a compromise. Previous proposals included dates for a meeting of the OPEC followed by a meeting with non-OPEC allies on June 25-26 and July 11-12. "These are suggestions subject to approval," sources added. The new suggestion came in a letter from Venezuela, which holds the OPEC presidency, sources said. (Reuters)
- **SAMA expects 'slight' rise in inflation rate in 2Q2019** – Saudi Arabia's inflation rate is projected to register a slight YoY rise in

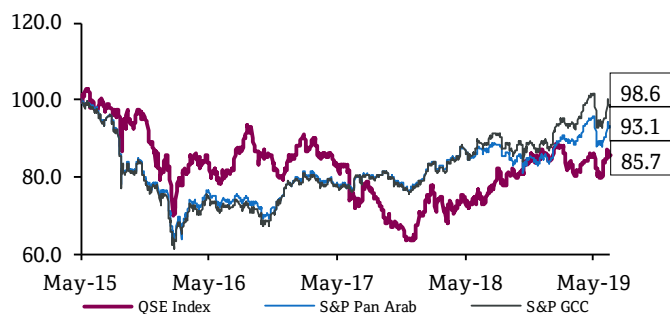
the second quarter after the first quarter saw 2.1% deflation, the Saudi Arabian Monetary Authority (SAMA) stated in its quarterly inflation report. Projected increase attributed to a recent increase in fuel prices and to major Islamic holidays falling in the second quarter, "which in turn might pose seasonal inflationary pressures that could lead to a rise in the general level of prices," it stated. (Bloomberg)

- **Most of the SoftBank Vision Fund investors want to join second fund** – Most of the investors in SoftBank Group Corp's \$100bn Vision Fund want to join the group's forthcoming second fund, founder and Chief Executive, Masayoshi Son said. SoftBank will soon start discussing the second fund with the investors, Son said at the group's annual general meeting, without providing further details. He said in May a second fund would launch "soon", with SoftBank likely to be the only investor initially. Investors in the first Vision Fund, which has invested more than \$80bn in late-stage startups, include the sovereign wealth funds of Saudi Arabia and Abu Dhabi, Apple Inc and Foxconn, formally known as Hon Hai Precision Industry Co Ltd. (Reuters)
- **Indonesia's Pertamina and Saudi Aramco extend refinery talks for three months** – Indonesian state energy company PT Pertamina stated that it is extending negotiations with Saudi Aramco on the potential joint development of an oil refinery in the country by another three months. That comes after talks were previously extended by six months from last December, with Pertamina reiterating that the two sides had been unable to agree a valuation for the refinery, without giving further details. Pertamina and Saudi Aramco in 2016 agreed to negotiate to form a joint venture to build and operate the Cilacap refinery in the province of Central Java. Pertamina spokeswoman Fajriyah Usman said that the two companies will extend talks by three months and that they had agreed to hire a financial advisor to help finalize a deal. The Cilacap refinery is one of six major projects that are part of a push to double Pertamina's refining capacity to 2mn barrels per day (bpd). Pertamina officials said in April that if talk with Saudi Aramco failed, the Indonesian company will launch the project without a partner to meet an operational target of 2025. (Reuters)
- **Saudi Arabian insurers Walaa and Metlife AIG ANB consider merger** – MetLife AIG ANB Cooperative Insurance Company stated that it has signed a non-binding memorandum of understanding (MoU) with bigger rival Walaa Cooperative Insurance Company to evaluate a potential merger between the two companies. Metlife AIG ANB stated that it has appointed Saudi Kuwaiti Finance House as its financial advisor for the proposed merger in a deal that is likely to be based on a share swap. Saudi Arabia's crowded insurance sector is ripe for consolidation after the central bank proposed more stringent risk-based capital requirements to bolster the insurance sector. The Saudi Arabian insurance sector is concentrated in health and automotive, which accounted for more than 80% of gross written premiums in 2017. Bupa Arabia, Tawuniya and Med Gulf dominate the health market, accounting for 80% of premiums in 2017, while the other 24 companies, with a combined market share of only 20%, lack scale, which may lead to consolidation, Fitch Ratings said in a recent report. (Reuters)
- **Burgan Bank to hire JPMorgan, HSBC and StanChart for bond sale** – Kuwait's Burgan Bank hired JPMorgan Chase & Co., HSBC

Holdings and Standard Chartered to arrange a bond sale, according to sources. The Tier 1 offering could raise about \$500mn, sources said. Kuwait's third-biggest lender last sold Dollar bonds in 2016 when it raised \$500mn. It also raised \$329mn from the private placement of bonds in the Kuwaiti market in December. The lender is rated 'A3' by Moody's, the fourth-lowest investment grade, according to data compiled by Bloomberg. The bank stated last month that it has received the market regulator's approval to sell up to \$500mn in bonds. (Bloomberg)

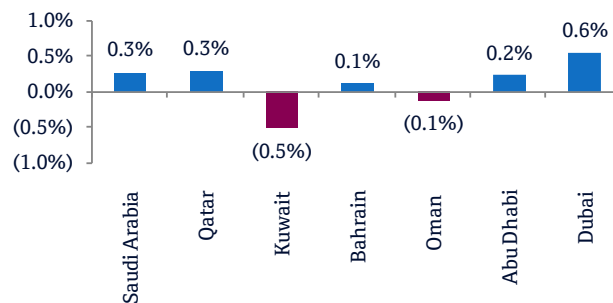
- **Moody's warns of 'funding squeeze' in Oman as bank deposits lag** – Growth in Oman's bank deposits is expected to lag in the next 12 to 18 months as lower oil prices constrain government finances, according to Moody's. The Sultanate, where the public sector makes up more than a third of all deposits, the highest share in the Gulf will probably face a continued funding squeeze, the rating company stated. Given the pressure on public finances, the risk of slow and progressive erosion in government deposits is on the rise, it stated. "Project financing, corporate expansion and strong mortgage demand are driving lending growth, but deposits - primarily from the government - will lag," an Analyst at Moody's, Mik Kabeya said. "The smallest banks will feel the impact most in higher funding costs and reduced profits." Liquidity is tighter in Oman than in the rest of the Gulf because of its higher dependence on oil and the reliance by banks on government deposits, according to Moody's. Its sovereign debt is rated junk by all three major credit assessors. Moody's also stated that banks are likely to pay more for local currency deposits, increasing their loan rates, lending more selectively, and raising foreign-currency funding. The public sector accounted for 35% of deposits in February, or 28% of gross domestic product (GDP). Oman's government needs oil to average \$85 a barrel to balance its budget. "The government's rising debt leaves it increasingly vulnerable to changes in the risk appetite of foreign investors," Moody's stated. (Bloomberg)
- **Oman sells OMR55mn 28-day bills at yield of 2.374%; bid-cover at 1.27x** – Oman sold OMR55mn of 28 day bills due on July 17 on June 17. Investors offered to buy 1.27 times the amount of securities sold. The bills were sold at a price of 99.818, having a yield of 2.374% and will settle on June 19. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,346.62	0.5	0.4	5.0
Silver/Ounce	15.01	1.1	1.0	(3.1)
Crude Oil (Brent)/Barrel (FM Future)	62.14	2.0	0.2	15.5
Crude Oil (WTI)/Barrel (FM Future)	53.90	3.8	2.6	18.7
Natural Gas (Henry Hub)/MMBtu	2.44	(0.8)	3.0	(23.5)
LPG Propane (Arab Gulf)/Ton	42.88	2.4	(2.3)	(33.0)
LPG Butane (Arab Gulf)/Ton	40.38	4.2	1.3	(41.9)
Euro	1.12	(0.2)	(0.1)	(2.4)
Yen	108.45	(0.1)	(0.1)	(1.1)
GBP	1.26	0.2	(0.2)	(1.5)
CHF	1.00	(0.1)	(0.1)	(1.9)
AUD	0.69	0.4	0.1	(2.4)
USD Index	97.64	0.1	0.1	1.5
RUB	64.03	(0.4)	(0.6)	(8.2)
BRL	0.26	0.7	0.9	0.5

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,150.91	0.9	0.9	14.2
DJ Industrial	26,465.54	1.4	1.4	13.5
S&P 500	2,917.75	1.0	1.1	16.4
NASDAQ 100	7,953.88	1.4	2.0	19.9
STOXX 600	384.78	1.4	1.5	11.5
DAX	12,331.75	1.8	1.9	14.3
FTSE 100	7,443.04	1.1	1.0	9.0
CAC 40	5,509.73	2.0	2.6	13.9
Nikkei	20,972.71	(0.6)	(0.6)	6.7
MSCI EM	1,023.91	1.3	0.9	6.0
SHANGHAI SE Composite	2,890.16	0.4	0.6	15.5
HANG SENG	27,498.77	1.0	1.3	6.4
BSE SENSEX	39,046.34	0.7	(0.6)	8.5
Bovespa	99,404.39	2.7	2.4	13.5
RTS	1,359.23	1.4	1.4	27.2

Source: Bloomberg (*\$ adjusted returns)

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