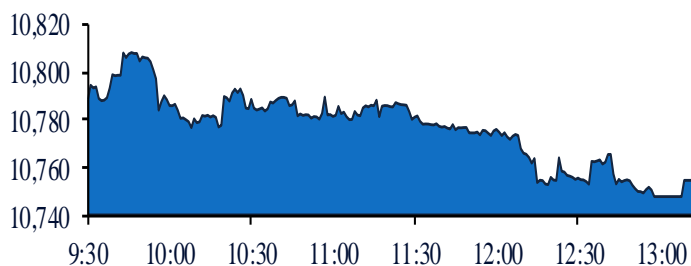


QSE Intra-Day Movement



Qatar Commentary

The QE Index declined 0.5% to close at 10,754.5. Losses were led by the Insurance and Banks & Financial Services indices, falling 0.7% and 0.6%, respectively. Top losers were Qatar Cinema & Film Distribution and Qatar General Ins. & Reins. Co., falling 4.5% and 3.1%, respectively. Among the top gainers, Gulf International Services gained 5.3%, while Qatar Industrial Manufacturing Co. was up 2.8%.

GCC Commentary

Saudi Arabia: The TASI Index gained 0.4% to close at 10,698.3. Gains were led by the Diversified Financials and Consumer Durables & Apparel indices, rising 4.3% and 3.7%, respectively. Tabuk Agricultural Development Co. rose 10.0%, while Lazurde Company for Jewelry was up 9.9%.

Dubai: The DFM Index fell 0.5% to close at 2,824.0. The Investment & Financial Services index declined 0.9%, while the Banks index fell 0.8%. Takaful Emarat Insurance declined 8.4%, while Ithmaar Holding was down 4.4%.

Abu Dhabi: The ADX General Index fell 0.3% to close at 6,606.1. The Telecommunication index declined 0.8%, while the Industrial index fell 0.5%. Fujairah Cement Industries declined 10.0%, while Abu Dhabi Natl Co. For Building Materials was down 2.4%.

Kuwait: The Kuwait All Share Index gained 0.1% to close at 6,256.8. The Technology index rose 6.3%, while the Energy index gained 1.6%. Yiacco Medical Co. rose 8.0%, while Automated Systems Co. was up 6.3%.

Oman: The MSM 30 Index gained 0.4% to close at 3,932.6. Gains were led by the Services and Financial indices, rising 0.8% and 0.7%, respectively. National Bank of Oman rose 9.5%, while Muscat Insurance Company was up 9.4%.

Bahrain: The BHB Index gained 1.1% to close at 1,538.4. The Commercial Banks index rose 2.1%, while the other indices ended flat or in red. Ahli United Bank rose 3.2%, while BBK was up 2.3%.

Market Indicators	03 Jun 21	02 Jun 21	%Chg.
Value Traded (QR mn)	407.5	454.2	(10.3)
Exch. Market Cap. (QR mn)	626,303.4	629,124.3	(0.4)
Volume (mn)	191.0	173.0	10.4
Number of Transactions	9,647	10,867	(11.2)
Companies Traded	46	47	(2.1)
Market Breadth	9:35	22:16	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,289.15	(0.5)	(0.1)	6.1	18.2
All Share Index	3,419.76	(0.4)	0.2	6.9	19.0
Banks	4,504.20	(0.6)	0.5	6.0	15.7
Industrials	3,563.80	(0.2)	0.1	15.0	27.4
Transportation	3,389.57	(0.3)	0.2	2.8	22.6
Real Estate	1,891.81	(0.3)	(0.6)	(1.9)	17.9
Insurance	2,638.45	(0.7)	(0.7)	10.1	23.6
Telecoms	1,073.81	(0.4)	1.1	6.2	28.5
Consumer	8,209.66	(0.3)	(1.2)	0.8	28.7
Al Rayan Islamic Index	4,621.59	(0.3)	(0.4)	8.2	19.8

GCC Top Gainers###	Exchange	Close#	1D%	Vol. '000	YTD%
National Bank of Oman	Oman	0.19	9.5	648.0	15.6
Gulf Bank	Kuwait	0.24	4.4	48,860.5	9.1
Saudi Telecom Co.	Saudi Arabia	134.80	4.3	1,364.8	28.2
Kingdom Holding Co.	Saudi Arabia	9.64	4.3	3,267.0	21.3
Ahli United Bank	Bahrain	0.74	3.2	479.0	2.2

GCC Top Losers###	Exchange	Close#	1D%	Vol. '000	YTD%
Bank Dhofar	Oman	0.12	(3.4)	255.1	18.6
The Commercial Bank	Qatar	5.26	(1.6)	1,094.9	19.5
Emirates NBD	Dubai	13.80	(1.4)	1,244.0	34.0
National Industrialization	Saudi Arabia	19.62	(1.3)	6,376.2	43.4
Abu Dhabi Islamic Bank	Abu Dhabi	5.45	(1.3)	3,165.6	16.0

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	1.57	5.3	47,395.8	(8.4)
Qatar Industrial Manufacturing Co	2.94	2.8	302.6	(8.3)
Doha Insurance Group	1.98	0.7	39.4	42.5
Gulf Warehousing Company	5.14	0.5	77.0	0.8
QLM Life & Medical Insurance	5.10	0.4	139.3	0.0

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Gulf International Services	1.57	5.3	47,395.8	(8.4)
Ezdan Holding Group	1.78	(0.2)	17,480.3	0.2
Salam International Inv. Ltd.	1.02	(0.7)	17,202.2	56.1
Investment Holding Group	1.12	(1.1)	15,809.6	87.1
Baladna	1.57	0.1	14,715.7	(12.4)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	4.30	(4.5)	79.5	7.6
Qatar General Ins. & Reins. Co.	2.16	(3.1)	98.7	(18.8)
The Commercial Bank	5.26	(1.6)	1,094.9	19.5
Qatar Oman Investment Company	1.05	(1.5)	4,879.0	18.2
INMA Holding	5.27	(1.5)	827.2	3.0

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Gulf International Services	1.57	5.3	73,336.8	(8.4)
QNB Group	17.86	(0.7)	38,881.3	0.2
Ezdan Holding Group	1.78	(0.2)	31,341.1	0.2
Baladna	1.57	0.1	23,140.5	(12.4)
Industries Qatar	12.90	(0.5)	22,843.4	18.7

Source: Bloomberg (* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,754.48	(0.5)	(0.1)	0.1	3.1	110.81	187,891.0	18.2	1.6	2.7
Dubai	2,824.04	(0.5)	0.3	0.9	13.3	41.72	116,321.5	21.2	1.0	2.9
Abu Dhabi	6,606.13	(0.3)	0.9	0.7	30.9	352.02	253,989.1	22.3	1.9	3.7
Saudi Arabia	10,698.30	0.4	1.7	1.4	23.1	3,401.17	2,914,916.9	35.1	2.4	2.0
Kuwait	6,256.75	0.1	0.8	0.7	12.8	230.27	118,844.8	39.8	1.6	2.2
Oman	3,932.60	0.4	2.6	2.1	7.5	14.99	17,608.2	12.0	0.7	4.6
Bahrain	1,538.37	1.1	0.4	0.7	3.3	1.91	23,661.5	26.4	1.0	2.2

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

Qatar Market Commentary

- The QE Index declined 0.5% to close at 10,754.5. The Insurance and Banks & Financial Services indices led the losses. The index fell on the back of selling pressure from GCC and Arab shareholders despite buying support from Qatari and foreign shareholders.
- Qatar Cinema & Film Distribution and Qatar General Ins. & Reins. Co. were the top losers, falling 4.5% and 3.1%, respectively. Among the top gainers, Gulf International Services gained 5.3%, while Qatar Industrial Manufacturing Co was up 2.8%.
- Volume of shares traded on Thursday rose by 10.4% to 191.0mn from 173.0mn on Wednesday. However, as compared to the 30-day moving average of 233.3mn, volume for the day was 18.1% lower. Gulf International Services and Ezdan Holding Group were the most active stocks, contributing 24.8% and 9.2% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	46.13%	45.60%	2,181,825.1
Qatari Institutions	17.80%	15.58%	9,064,903.4
Qatari	63.93%	61.17%	11,246,728.5
GCC Individuals	0.44%	0.82%	(1,583,294.8)
GCC Institutions	2.02%	3.84%	(7,409,233.0)
GCC	2.45%	4.66%	(8,992,527.8)
Arab Individuals	15.20%	16.43%	(5,008,014.0)
Arab Institutions	0.00%	0.00%	-
Arab	15.20%	16.43%	(5,008,014.0)
Foreigners Individuals	4.13%	2.95%	4,800,450.6
Foreigners Institutions	14.29%	14.79%	(2,046,637.3)
Foreigners	18.42%	17.74%	2,753,813.3

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

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06/03	US	Markit	Markit US Services PMI	May	70.4	70.1	70.1
06/03	US	Markit	Markit US Composite PMI	May	68.7	-	68.1
06/03	US	Institute for Supply Management	ISM Services Index	May	64.0	63.2	62.7
06/03	US	Department of Labor	Initial Jobless Claims	29-May	385k	387k	405k
06/03	US	Department of Labor	Continuing Claims	22-May	3,771k	3,614k	3,602k
06/03	UK	Markit	Markit/CIPS UK Services PMI	May	62.9	61.8	61.8
06/03	UK	Markit	Markit/CIPS UK Composite PMI	May	62.9	62.0	62.0
06/04	UK	Markit	Markit/CIPS UK Construction PMI	May	64.2	62.0	61.6
06/03	EU	Markit	Markit Eurozone Services PMI	May	55.2	55.1	55.1
06/03	EU	Markit	Markit Eurozone Composite PMI	May	57.1	56.9	56.9
06/03	Germany	Markit	Markit Germany Services PMI	May	52.8	52.8	52.8
06/03	Germany	Markit	Markit/BME Germany Composite PMI	May	56.2	56.2	56.2
06/04	Germany	Markit	Markit Germany Construction PMI	May	44.5	-	46.2
06/03	France	Markit	Markit France Services PMI	May	56.6	56.6	56.6
06/03	France	Markit	Markit France Composite PMI	May	57	57	57
06/03	Japan	Markit	Jibun Bank Japan PMI Services	May	46.5	-	45.7
06/03	Japan	Markit	Jibun Bank Japan PMI Composite	May	48.8	-	48.1
06/03	China	Markit	Caixin China PMI Composite	May	53.8	-	54.7
06/03	China	Markit	Caixin China PMI Services	May	55.1	56.2	56.3
06/03	India	Markit	Markit India PMI Services	May	46.4	-	54.0
06/03	India	Markit	Markit India PMI Composite	May	48.1	-	55.4

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

Qatar

- **QNB and VTB Capital Investments sign an agreement at SPIEF** – QNB Group, the largest financial institution in the Middle East and Africa, has signed a memorandum of understanding (MoU) with Moscow-based, VTB Capital Investments, the largest Russian asset manager with more than US \$50 billion of assets under management which is part of VTB Group, the second largest financial institution in Russia, during their participation at the 24th St Petersburg International Economic Forum (SPIEF). QNB Group Executive General Manager – Group Chief Business Officer Mr. Yousef Al Neama signed the commercial partnership MoU, while CEO of VTB Capital Investments Mr. Vladimir Potapov, signed it on the Russian side. Other top senior management representatives attended the ceremony from both sides. The MoU aimed at developing business between both parties, in which they can mutually carry out various activities in investment management and advisory services on Debt, Equity and Real Estate markets. According to the agreement, QNB and VTB in partnership will launch a Qatar Fund and Russian Fund to attract foreign capital into both markets and build a selection of offerings for international investors. (Press Release)
- **Vodafone Qatar unveils enhanced IoT Fleet Management solution** – Vodafone Qatar unveiled its enhanced Internet of Things (IoT) ‘Fleet Management’ solution, which enables businesses to maximize the efficiency of their fleet operations. The latest iteration of this solution delivers real-time information such as traffic data, vehicle location, fuel consumption, vehicle status and employee work-time, and is managed end-to-end by Vodafone Qatar. Two variations of the updated Fleet Management solution are now available. The ‘Advanced solution’ gives enterprises access to a range of advanced features, which can be tailored to the individual requirements of both company admins and drivers. The ‘Plug & Go’ solution is for businesses that do not require as complex features and enables company admins to quickly implement the solution to streamline their customer services and operations. Both versions provide tracking, alerts and reporting and all data is accessible through a dedicated web portal, or a mobile application to allow for remote access. Furthermore, the ‘Advanced’ version allows users to assign tasks, dispatch jobs, and plan routes for drivers. (Gulf-Times.com)
- **ORDS and Russia's MegaFon sign MoU** – Ooredoo (ORDS) and MegaFon have signed a non-binding memorandum of understanding (MoU) at the St Petersburg International Economic Forum (SPIEF) to jointly explore possible future co-operation and share knowledge and experience providing telecoms and ICT services expertise at major sporting events. The document was signed by Ooredoo CEO Sheikh Mohamed bin Abdulla Al-Thani and MegaFon CEO Gevork Vermishyan. According to the non-binding MoU, MegaFon will explore the opportunity to share experience and the possibility to potentially provide Ooredoo with expert assistance on technological infrastructure preparation at mass gatherings and large events. Ooredoo is responsible for telecom infrastructure for the FIFA World Cup, which will be hosted in Qatar in 2022. Currently, the country is actively preparing all the necessary infrastructure to accommodate football fans and clubs from all around the world. (Gulf-Times.com)
- **Ooredoo CEO lauds Qatar’s participation at SPIEF** – Ooredoo Chief Executive Officer, Sheikh Mohammed bin Abdulla Al Thani, in a televised interview with Russian TV channel RT Arabic highlighted Qatar’s participation at the ongoing St Petersburg International Economic Forum (SPIEF) and the bilateral relations between Qatar and Russia. The interview, conducted on the sidelines of SPIEF, focused on Qatar’s participation in the forum, the challenges Ooredoo – and the entire telecommunications industry - has faced in the wake of the COVID-19 pandemic potential for future collaboration between Ooredoo and its counterparts in Russia. Sheikh Mohammed talked about strengthening bilateral ties between the two countries, highlighting the presence of many senior-level representatives that confirms the intention to boost relationships and economic links. He also emphasized the opportunity the forum presents for entities to share best practices, experience, and expertise. He also expressed his hope that Qatar-Russia ties will progress to the next level. (Peninsula Qatar)
- **UDCD inaugurates ‘Seabin’ project at The Pearl-Qatar** – United Development Company (UDCD), a leading Qatari public shareholding company and the master developer of The Pearl-Qatar and Gewan Island, inaugurated a new environmental ‘Seabin’ project, the first of its kind, to prevent sea pollution and protect marine species at The Pearl-Qatar. The event, which took place on the occasion of the World Environment Day, was held in Porto Arabia Marina where the seabins have been installed in ten different locations, in the presence of senior officials from UDCD and the Ministry of Municipality and Environment. Driven by UDCD’s commitment to sustainability practices, the seabin project is a multi-award-winning invention that acts as a floating trash bin and sucks waste including plastic, oils and contaminants from the water of docks and marinas, removing hazards to marine life and maintaining a healthy ecosystem. The seabin is made from recycled material and its catch bag can hold up to 20 kilograms. Each day, the seabin has the potential to collect almost four kilograms of floating water pollution and filters over two million liters of water. Per year, the seabin can collect approximately 1.4 tons of debris. (Qatar Tribune)
- **Hassad Food signs pacts with Russian agri, commercial entities** – Hassad Food, Qatar’s food and agribusiness investment arm, has signed three memoranda of understanding with leading Russian agriculture and business entities, Demetra Holding, Damate and the Qatar-Russia Investment and Trade Advisory at the St. Petersburg International Economic Forum. Demetra-Holding, one of the largest vertically integrated grain holding in Russia (integrates assets in transport, export logistics and trading), has worked together with Hassad Food to analyze potential areas of mutual interest. Both parties have agreed to find investment opportunities and develop trade relationship in grain logistics and trading. The companies will explore the possibilities for the business in the wider Middle East region, focusing on using Russian technology and know-how for agricultural infrastructure projects. Moreover, Widam Food, the largest producer and processor of animal proteins in Qatar and Damate Group, one of the largest producers of turkey meat and other animal proteins in Russia have agreed to develop and expand the trading relationship in the sector. Both sides expect significant trading potential between the two countries, particularly in the halal lamb meat business. (Gulf-Times.com)
- **GECF's Sentyurin: Gas a pragmatic answer to realize energy transition** – The destiny of the world rests in innovative utilization of hydrocarbons whilst embracing the rise of renewables in the global energy mix, Secretary-General of the largest consortium of gas exporting nations, the Gas Exporting Countries Forum (GECF), has said at the 24th St. Petersburg International Economic Forum (SPIEF). “The world will needs to power its

economic growth through hydrocarbons, specifically the cleaner, abundant, and cheaper natural gas, for some time to come. It is obvious that the structure of the energy mix is becoming more diversified thanks to the expansion of renewables. However, fossil fuels are projected to remain dominant, accounting for 71% in 2050," said Yury Sentyurin, during a panel on "The Future of Energy: Energy transition". "As an organization dedicated to studying and forecasting the innovative use of natural gas, the GECF believes that it is gas that can realistically bring about the most efficient and environmentally friendly energy transition," he added. (Peninsula Qatar)

- **GTA extends deadline for filing tax returns for Qatari companies to August 31** – The General Tax Authority has asked all companies to file their tax returns for the year 2020, before the end of the extension period granted to them according to company type. The authority extended the deadline for filing returns for non-Qatar companies (companies with a foreign partner's share) to June 30, 2021, as for Qatari companies the deadline for filing tax returns has been extended to August 31, 2021. (Peninsula Qatar)
- **MME to provide cost-free fuel and ice to 830 fishing vessels** – The Ministry of Municipality and Environment (MME) has signed agreements with a number of local companies to provide cost-free fuel and ice to 830 fishing boats and vessels operating in the Qatari sea. The multi-million Qatari Riyal initiative aims to reduce the operation cost of fishermen to encourage them to carry out their business as it attached great importance to ensure food security in the country. MME has signed the agreements with Qatar Fuel Company, Woqod, Al Wakrah Port Ice Factory, and Doha Import and Export Center (DIEC) in a ceremony held yesterday at the Ministry headquarters.
- **Qatar May financial center PMI 51.5 vs 52.1 in April** – IHS Markit released Qatar's May financial center purchasing managers' index. The PMI remained above 50.0 for the eleventh successive month in May but, falling to 51.5, from 52.1 in April, signaled the slowest momentum in the non-energy private sector economy since last October. The headline figure was still comfortably in growth territory, however, and above the long-run series average of 50.0. At the sub-sector level, trend data showed that wholesale & retail performed strongest in the three months to May (53.2), followed by manufacturing (53.1) and construction (51.1), while services posted a deterioration in business conditions (48.0). Sustained growth of new orders contributed to the overall improvement in business conditions in May. The rate of expansion was robust, albeit the slowest in five months. Overall business activity rose for a survey-record eleventh month running in May. The rate of expansion was, however, the weakest over this period and modest. Output also rose more slowly than new orders for the fifth month running, resulting in a further build-up in outstanding business. Backlogs have risen continuously since October 2020. (IHS Markit, Bloomberg)
- **Al-Kaabi: Additional investments in hydrocarbons imperative to avoid big spikes in oil and gas prices** – Qatar has said additional investments in hydrocarbons is imperative to avoid big spikes in oil and gas prices and called for more environmentally sensitive ways to achieve net zero emission, rejecting the "over-excited" calls for curbs on new funds in the oil sector. "When we deprive the oil and gas sector from additional investment you will have big spikes in oil and gas prices in the next few years which will deprive customers and nations from oil or gas and all the byproducts that come with it. This is a dangerous discussion that will harm humanity and about a billion people around the world, who don't have electricity today," HE the Minister of State for Energy Affairs Saad bin Sherida Al-Kaabi told 24th St Petersburg International Economic Forum 2021. His remarks comes in the backdrop of a recent report by IEA or

International Energy Agency that suggested investors should not fund new oil, gas and coal supply projects if the world wants to reach net zero emissions by mid-century. (Gulf-Times.com)

- **Al-Kuwari: Qatar, Russia ties heading towards promising future** – Qatar asserted that its cooperation with Russia is heading towards a promising future and called for more joint efforts, both at public and private sectors, to stimulate trade and investment and support their growth to reflect the huge economic capacities and capabilities. "The current position is reassuring that the Qatari-Russian cooperation is headed towards a promising future, given the growth witnessed in the volume of trade exchange, which rose by about 47% over the past two years, to amount to \$296mn in 2020 compared to \$201.16mn in 2019," HE Ali bin Ahmed Al-Kuwari, Minister of Commerce and Industry and Acting Minister of Finance, told the 24th edition of the St Petersburg International Economic Forum (SPIEF) 2021. More joint efforts, at the levels of both public and private sectors, were needed to stimulate trade and investment between the two countries, he said, affirming Qatar's keenness in welcoming Russian private companies and investors. The minister said the agreements and memoranda of understanding signed between the two countries over past years had also contributed to opening wider prospects for co-operation at all levels, especially at the industrial, commercial and investment fronts, as well as in terms of the economy, energy infrastructure and many other vital areas. (Gulf-Times.com)
- **Al-Kuwari calls for cooperation between nations and peoples for global recovery** – Qatar has called for a comprehensive approach based in the essence of international cooperation and solidarity to achieve the desired financial recovery in view of the economic and financial challenges for the global economy owing to the pandemic. "The next stage will not be easy economically and financially for any of the countries involved in the global economy, especially since the desired financial recovery can only be achieved by opening broader horizons for cooperation between nations and peoples at all levels," HE the Minister of Commerce and Industry and Acting Minister of Finance Ali bin Ahmed Al-Kuwari, told the opening ceremony of the 24th St Petersburg International Economic Forum (SPIEF) 2021. Highlighting that pandemic had shown the fragility of the development systems prevalent around the world; he said there was a "for devising a comprehensive approach based in essence of international cooperation and solidarity." The minister called on governments and business people to unite and provide solutions that contribute to restoring investor confidence, as well as to open the prospects for building a better future for all. (Gulf-Times.com)
- **Al-Kuwari speaks about Qatar's future economic strategy at SPIEF** – HE Ali bin Ahmed Al-Kuwari, Minister of Commerce and Industry and Acting Minister of Finance, participated in a panel discussion at the St Petersburg International Economic Forum (SPIEF) 2021, organized in partnership with Russian bank VTB. Under the title 'Reset or Overload? Rethinking Multilateralism Among the Ruins of Globalization: A Business Perspective', the panel formed part of Qatar's participation as guest country at the St Petersburg International Economic Forum (SPIEF) 2021, which is currently taking place in St Petersburg. During the discussion, HE the Minister spoke about Qatar's future economic strategy, in light of the fight against the Covid-19 pandemic. HE also touched upon the National Development Strategy initiated by the State of Qatar in 2008, as well as programs and reform plans in line with the Qatar National Vision (QNV) 2030. Furthermore, HE Al Kuwari added that the economic contribution of the non-oil sectors to the national economy had amounted to 66% in the first quarter of 2021. (Gulf-Times.com, Qatar Tribune)
- **Qatari Deputy PM says future of digital currencies still 'unclear'** – Qatar's Deputy Prime Minister and Foreign Minister

said that the future of digital currencies is still "unclear" and that there is still "uncertainty" over them. Sheikh Mohammed bin Abdulrahman Al-Thani, who also heads the Qatar Investment Authority sovereign wealth fund, said "I don't think so" when asked in an interview if QIA would invest in cryptocurrencies anytime soon. (Reuters)

- **130-plus global companies now registered in Qatar Free Zones** – More than 130 companies from around the world have now registered in Qatar Free Zones (QFZ), pursuing licensed projects worth more than QR8bn, according to the QFZ Authority (QFZA). This was disclosed by QFZA, which Thursday entered into a memorandum of understanding (MoU) with the St Petersburg Chamber of Commerce. The MoU will help strengthen bilateral relations by showcasing Qatar's value proposition and opening up opportunities for collaboration and growth between QFZA's investors and the chamber's members, in addition to knowledge sharing and offering support to companies. (Gulf-Times.com)
- **Ministry of Finance senior official reviews strength of Qatari economy at SPIEF** – The Assistant Undersecretary for Economic Affairs at the Ministry of Finance Saoud bin Abdullah Al-Attiyah participated in the St Petersburg International Economic Forum (SPIEF 2021) and reviewed the characteristics of the Qatari economy and the monetary policies implemented by the State to overcome the impact of the COVID-19 pandemic. This came during a session on the investment opportunities in Qatar and Russia, where Al-Attiyah gave an overview of the developments of the Qatari economy, in addition to the reform process currently under way to improve the business environment. He also discussed the reforms implemented recently by the State of Qatar, aiming to attract business and empower the growth of the private sector. (Gulf-Times.com)
- **MoTC holds high-level meetings at 2021 Edition of SPIEF in Russia** – Qatar's Ministry of Transport and Communications (MoTC) participated in the St. Petersburg International Economic Forum (SPIEF) as part of Qatar's participation as a guest country in the high-profile event. Entities such The Smart Qatar Program (TASMU), Qatar Rail, Qatar Navigation (Milaha), Mwani Qatar, Qatar Aeronautical Academy and Hamad International Airport participated under the umbrella of the Ministry where they exchanged expertise between Russia and Qatar. The Ministry and its entities hosted several high-level meetings with their Russian counterparts to explore opportunities of bilateral collaboration within the framework of developing economic relation ties and partnership with the Russian Federation, in addition to highlighting the investment opportunities that the country provides in the fields of transportation and information and communication technology, something which can contribute to attracting more foreign direct investments and boosting the State of Qatar's competitive standing in the region and outside of it. (Gulf-Times.com)
- **Qatar says World Cup preparations on track despite pandemic** – Qatar's preparations for the 2022 FIFA World Cup are nearing completion and the tournament is expected to go ahead despite pandemic-related setbacks, the country's ruler said. "We, in Qatar, are ready for this occasion," Sheikh Tamim bin Hamad Al Thani told an economic conference in St. Petersburg via video link. "The pandemic affected everyone, not just Qatar. True, there was a delay but it was a very limited delay in some World Cup preparations which will all be complete in the coming months." Qatar will host an Arab soccer championship in November, which was expected to be a test-run for FIFA's flagship event, he said. (Bloomberg)
- **Amir: Qatar invests over \$13bn in Russia, looking forward to doubling in the future** – His Highness the Amir Sheikh Tamim bin Hamad Al-Thani said that Qatar was one of the largest foreign

investors in Russia, with diversified investments amounting to more than \$13bn, looking forward to doubling them in the future and stressing Qatar's confidence in the Russian economy. His Highness the Amir said this while participating via videoconferencing in the discussion session of the St Petersburg International Economic Forum (SPIEF 2021) with Russian President Vladimir Putin and Austrian Chancellor Sebastian Kurz. The Amir pointed out that tourism between the two countries doubled during Qatar-Russia Cultural Year after the 2018 World Cup. In the field of the future of energy, HH the Amir explained that the State of Qatar plays a major role in distributing gas around the world and invests huge investments in it, noting that its gas production will increase by 40% by 2026 and that Qatar is cooperating with international energy companies, including Rosneft. His Highness indicated that the State of Qatar will host in the coming months a conference of gas exporting countries to discuss clean energy developments and cooperation in this field. HH the Amir explained that Qatar's responsibility towards the environment is great as a country that depends on gas and energy, therefore, the fourth pillar of Qatar National Vision is related to the environment and its protection. Concerning the exchange of experiences between Qatar and Russia in the sports field, HH the Amir indicated that Russia set high standards in its successful organization of the 2018 World Cup, praising Russia's opening all its doors at that time to Qatari organizers working in the Supreme Committee for Delivery and Legacy to exchange experiences with their Russian counterparts. His Highness affirmed Qatar's full readiness to host the 2022 World Cup and that the construction and infrastructure projects of the tournament were not affected by the COVID-19 pandemic, a year and a half ahead of the hosting date, noting that Qatar will host the FIFA Arab Cup in November, which is a trial before the World Cup. (Gulf-Times.com, Qatar Tribune)

- **Putin: Russia supports Qatar in hosting World Cup** – President of the Russian Federation Vladimir Putin has praised the relations between Russia and Qatar at economic and political levels, as well as the mutual cooperation in the humanitarian field, stating they are a reflection of the personal relations between him and His Highness the Amir of State of Qatar Sheikh Tamim bin Hamad Al Thani. Putin expressed his complete satisfaction with the level of cooperation between the two countries. He said thanks to joint efforts with HH the Amir, the two countries have reached a new level of cooperation in various fields, especially in the field of investment, affirming both countries' keenness on exploring new investment opportunities. Putin reiterated Russia's support for Qatar in hosting the FIFA World Cup 2022, noting that he had discussed the issue with HH the Amir. He said Russia supports Qatar in hosting the championship and is ready to cooperate with it to overcome all difficulties, if any, to make the tournament a success. (Qatar Tribune)
- **Doha to hosts gymnastics FIG Apparatus World Cup later this month** – The International Gymnastics Federation (FIG) has announced that the FIG Apparatus World Cup 2020-21 in Doha will be held from June 23 to 26. The tournament was scheduled for March 2020, but was postponed to March 2021, and was postponed again due to the continuing outbreak of the COVID-19 pandemic. The tournament is part of the World Cup series and will be the last leg of qualification for the Olympic Games in Tokyo. The Qatar Gymnastics Federation will hold a technical meeting on Sunday to discuss the latest preparations to host the tournament on the new dates. (Qatar Tribune)
- **IPA Qatar signs 3 MoUs to back Qatari-Russian investments** – Investment Promotion Agency of Qatar (IPA Qatar) has signed three memorandum of understanding with cybersecurity firm BI.ZONE, Russian transportation and hospitality service provider Accord Pitch Doha and innovative agricultural and water

technology company WadiWater. The MoUs were signed at the national pavilion of Qatar at the four-day St. Petersburg International Economic Forum (SPIEF2021), which came to an end on Saturday. (Qatar Tribune)

- **QIA committed to sustainable investments, FM tells SPIEF event** – Qatar Investment Authority (QIA), the sovereign wealth fund of Qatar, remains firm in making sustainable investments as it continues to diversify its portfolio, HE the Deputy Prime Minister and Minister of Foreign Affairs Sheikh Mohamed bin Abdulrahman Al-Thani told the 24th St Petersburg International Economic Forum (SPIEF) Friday in Russia. "We are very much focused on sustainable investments whether it's in technology, infrastructure, education, healthcare, and those sectors prevailed even during the (Covid-19) pandemic," he said during a discussion titled "West Asia and North Africa: Paths Towards Stability and Prosperity" with CNBC news anchor Hadley Gamble. "And one important element we are looking at is to apply it to our matrix which should have any economic impact for the country that we are investing in and for Qatar... and its environmental impact for the globe," said HE Sheikh Mohamed, also the QIA chairman. (Gulf-Times.com)
- **Qatar Airways says Airbus spat risks 'industrial repercussions'** – Airbus faces "industrial repercussions" if it fails to resolve a dispute that has driven a wedge between the European plane-maker and major customer Qatar Airways, the airline's chief executive told Reuters. Raising the stakes of a dispute potentially affecting airplane deliveries, which became public, Chief Executive Akbar Al Baker urged the Airbus board to intervene directly. "(Airbus) need to get real and they need to know that this problem will create industrial repercussions for them," Al Baker told Reuters in an interview. "The ball is in their court to fix the problem we have with them, and it is up to them to resolve this as soon as possible before things can get a bit out of hand," Al Baker added. (Reuters)

International

- **US job growth likely picked up in May, worker shortages still a challenge** – US job growth likely accelerated in May as vaccinations eased the pandemic's grip on the economy, but companies faced difficulties hiring, with millions of unemployed Americans at home because of childcare problems and generous unemployment checks, leaving open the chance for another letdown in job creation. The Labor Department's closely watched employment report on Friday could offer assurance that the recovery from the pandemic recession was on track after worker shortages also blamed on lingering fears over COVID-19 sharply restrained employment growth in April, which delivered roughly a quarter of the new jobs economists had forecast. Slower hiring stirred debate among some economists that growth was stagnating at a time when inflation was rising. "With the reopening of the economy, we should be seeing very strong job growth," said Ryan Sweet, a senior economist at Moody's Analytics in West Chester, Pennsylvania. "The supply constraints are problematic, but it doesn't mean that's going to prevent the economy from continuing to recover. The US is not experiencing stagflation and it won't over the next few years." According to a Reuters survey of economists, nonfarm payrolls likely increased by 650,000 jobs last month after rising only 266,000 in April. That would leave employment about 7.6mn jobs below its peak in February 2020. Estimates in the survey ranged from as low as 400,000 to as high as one million jobs. Employment gains have averaged 451,000 jobs per month this year, supported by massive fiscal stimulus as well as the improving public health. The unemployment rate likely fell to 5.9% from 6.1% in April. The jobless rate has been understated by people misclassifying themselves as being "employed but absent from work." At least half of the American population has been fully vaccinated against

COVID-19, according to data from the US Centers for Disease Control and Prevention. That has allowed authorities across the country to lift virus-related restrictions on businesses, which nearly paralyzed the economy early in the pandemic. But the reopening of the economy is straining the supply chain, limiting production capacity at factories as well as in the services industries. There are a record 8.1mn job openings. Millions of workers, mostly women, remain at home as most school districts have not moved to full-time in-person learning. Despite vaccines being widely accessible, some segments of the population are reluctant to get inoculated, which labor market experts say is discouraging some people from returning to work. Government-funded benefits, including a \$300 weekly unemployment subsidy, are also constraining hiring. Republican governors in 25 states are terminating this benefit and other unemployment programs funded by the federal government for residents starting next Saturday. (Reuters)

- **US House Democrats propose \$547 bn surface transport plan** – A group of key US House Democrats introduced legislation on Friday to authorize \$547 bn in additional spending over five years on surface transport, a plan that would mostly go to fixing existing US roads and bridges and increase funding for passenger rail and transit. The bill adopts some proposals made by Democratic President Joe Biden as part of his broader \$2.3tn infrastructure plan. Congress faces a September 30 deadline to reauthorize surface transportation programs. Other committees have jurisdiction over other aspects of infrastructure spending. The 1,249-page proposal comes as Biden and Senate Republicans are in talks over a massive jump in US infrastructure spending. Biden wants \$1tn in new spending over eight years over "baseline" spending on highways, bridges and transit, while Republicans have called for about \$250bn in new spending. The plan introduced by DeFazio and other senior committee Democrats would authorize \$343bn for roads, bridges and safety - including \$4bn in electric vehicle charging infrastructure. The panel will hold a June 9 hearing on the proposal to consider amendments. The Senate Environment and Public Works Committee unanimously approved a bipartisan bill last week to spend \$303.5bn on highways over five years, a 34% increase over the last highway reauthorization bill approved in 2015. DeFazio's plan also calls for \$109bn for transit and \$95bn for rail, including tripling funding for US passenger railroad Amtrak to \$32bn. It would require Amtrak to set aside at least 2.5% of all annual government funding "to enhance the passenger experience on long-distance routes." It would authorize \$4.1bn for grants to buy electric transit buses, create a \$500mn grant program to reduce traffic gridlock in large metropolitan areas and \$1bn to address the shortage of parking for commercial motor vehicles and allow for heavier electric vehicles on US roads and mandate additional safety features in new school buses. House Republicans called the Democrats' proposal a "new 'My Way or the Highway Bill'" and said it prioritizes green efforts "to an extent that cripples the real infrastructure improvements communities across the country need." One big question in all the plans remains how to pay for them as gas tax revenue has not kept up with repair needs. Biden wants higher corporate tax rates and other levies on the wealthy to pay for repairs and has also suggested a fee on commercial truck driving. (Reuters)
- **US factory orders fall more than expected in April** – New orders for US-made goods fell more than expected in April as a global semiconductor shortage weighed on the production of motor vehicles and electrical equipment, appliances and components. The Commerce Department said on Friday that factory orders dropped 0.6% in April after increasing 1.4% in March. Economists polled by Reuters had forecast factory orders slipping 0.2%. Orders surged 14.2% on a YoY basis.

Manufacturing, which accounts for 11.9% of the US economy, is being supported by a shift in demand towards goods from services during the pandemic. But the strong demand is straining supply chains. The Institute for Supply Management reported this week that manufacturing activity picked up in May, but noted that companies were struggling to fill orders because of shortages of raw materials and labor. Factory goods orders in April were weighed down by a 6.1% decrease in orders for motor vehicles and parts. Orders for electrical equipment, appliances and components fell 0.7%. Unfilled orders at factories gained 0.2% after rising 0.5% in March. The Commerce Department also reported that orders for non-defense capital goods, excluding aircraft, which are seen as a measure of business spending plans on equipment, surged 2.2% in April instead of 2.3% as reported last month. Shipments of core capital goods, which are used to calculate business equipment spending in the gross domestic product report, increased 0.9%, unrevised from last month's estimate. Business investment on equipment has enjoyed double-digit growth over the last three quarters, also driven by massive fiscal stimulus to soften the blow to the economy from the public health crisis. (Reuters)

- **Biden order bans investment in dozens of Chinese defense, tech firms** – President Joe Biden signed an executive order on Thursday that bans US entities from investing in dozens of Chinese companies with alleged ties to defense or surveillance technology sectors. The move, which his administration says expands the scope of a legally flawed Trump-era order, drew anger from Beijing. The Treasury Department will enforce and update on a "rolling basis" the new list of about 59 companies, which bars buying or selling publicly traded securities in target companies, and replaces an earlier list from the Department of Defense, senior administration officials told reporters. The order prevents US investment from supporting the Chinese military-industrial complex, as well as military, intelligence, and security research and development programs, Biden said in the order. "In addition, I find that the use of Chinese surveillance technology outside the PRC and the development or use of Chinese surveillance technology to facilitate repression or serious human rights abuse constitute unusual and extraordinary threats," Biden said, using the acronym for the People's Republic of China. Major Chinese firms included on the previous Defense Department list were also placed on the updated list, including Aviation Industry Corp of China (AVIC), China Mobile Communications Group, China National Offshore Oil Corp (CNOOC), Hangzhou Hikvision Digital Technology Co Ltd, Huawei Technologies Ltd and Semiconductor Manufacturing International Corp (SMIC). (Reuters)
- **Biden rejects new Republican infrastructure offer** – President Joe Biden and Republicans entered the weekend sharply at odds over how to craft an infrastructure deal that could satisfy their camps, imperilling the odds of a bipartisan deal. Democrat Biden shot down a new proposal from the main Republican negotiator on infrastructure, Senator Shelley Moore Capito, that increased spending by about \$50bn over their last offer, the White House said. Biden rejected the offer, saying it "did not meet his objectives to grow the economy, tackle the climate crisis, and create new jobs." Republicans had previously offered roughly \$257bn in new spending, short of the \$2.25tn Biden initially offered and suggested he might bring down to as low as \$1tn. And while the two sides agreed to speak again on Monday, the White House also strongly signalled that they may seek a path forward with other Republican lawmakers or even with only Democrats. "He indicated to Senator Capito that he would continue to engage a number of Senators in both parties in the hopes of achieving a more substantial package," White House spokeswoman Jen Psaki said in a statement. Up until now, Capito

has been Biden's primary negotiating partner. Monday's conversation will be their third in a week. Biden is eager to show that he made a good-faith effort at a bipartisan deal, sources said, but he risks creating division among Democrats, some who believe he is giving up too much to Republicans. Democrats hold narrow majorities in both the House of Representatives and Senate. (Reuters)

- **Tech giants and tax havens targeted by historic G7 deal** – The United States, Britain and other large, rich nations reached a landmark deal on Saturday to squeeze more money out of multinational companies such as Amazon and Google and reduce their incentive to shift profits to low-tax offshore havens. Hundreds of billions of dollars could flow into the coffers of governments left cash-strapped by the COVID-19 pandemic after the Group of Seven (G7) advanced economies agreed to back a minimum global corporate tax rate of at least 15%. Facebook said it expected it would have to pay more tax, in more countries, as a result of the deal, which comes after eight years of talks that gained fresh impetus in recent months after proposals from US President Joe Biden's new administration. "G7 finance ministers have reached a historic agreement to reform the global tax system to make it fit for the global digital age," British finance minister Rishi Sunak said after chairing a two-day meeting in London. The meeting, hosted at an ornate 19th-century mansion near Buckingham Palace in central London, was the first time finance ministers have met face-to-face since the start of the pandemic. US Treasury Secretary Janet Yellen said the "significant, unprecedented commitment" would end what she called a race to the bottom on global taxation. German finance minister Olaf Scholz said the deal was "bad news for tax havens around the world". Yellen also saw the G7 meeting as marking a return to multilateralism under Biden and a contrast to the approach of US President Donald Trump, who alienated many US allies. "What I've seen during my time at this G7 is deep collaboration and a desire to coordinate and address a much broader range of global problems," she said. Ministers also agreed to move towards making companies declare their environmental impact in a more standard way so investors can decide more easily whether to fund them, a key goal for Britain. (Reuters)
- **Yellen says she urged G7 to keep up fiscal support for recovery, climate investments** – US Treasury Secretary Janet Yellen said on Saturday that she is urging the G7 wealthy democracies and other countries to keep up fiscal support for their economic recoveries and to make investments to fight climate change and inequality. In prepared remarks for a news conference after G7 finance ministers met in London, Yellen also praised an agreement to pursue a global minimum tax of at least 15% on corporations as helping to stabilize tax systems while preserving national authority to set tax rates and policies. "G7 economies have the fiscal space to speed up their recoveries to not only reach pre-COVID levels of GDP but also to support a return to pre-pandemic growth paths," Yellen said. "This is why we continue to urge a shift in our thinking from 'let's not withdraw support too early' to 'what more can we do now.'" Yellen said the G7 finance ministers agreed to ambitious commitments to decarbonize their economies and mobilize public and private finance for action to combat climate change. "To facilitate the mobilization of private climate finance, the G7 also agreed to take action to improve the availability of consistent, comparable, and decision-useful climate-related financial information to market participants," Yellen said. (Reuters)
- **UK retailers report more inflation pressure as economy reopens** – British retailers have reported the smallest price falls since the start of the COVID pandemic, partly due to shoppers buying more clothes and shoes as lockdowns eased, and they

said price pressures were likely to rise further over the rest of 2021. With the Bank of England watching carefully for signs of how quickly inflation is picking up, the British Retail Consortium's shop price index for May showed prices were 0.6% lower than a year before, compared with a 1.3% fall in the year to April. This was the smallest drop since February 2020. The BRC's shop price index typically shows year-on-year price falls, unlike the broader measure of consumer price inflation targeted by the BoE which includes a wider range of goods and services. The BoE has forecast that CPI is likely to overshoot its 2% target and go above 2.5% by late 2021, due to a global rise in energy prices and what the central bank views as temporary pressures and one-off effects linked to the pandemic. British shoppers were keener to spend on new clothes and shoes last month as social-distancing restrictions eased, enabling people to meet at pubs and restaurants, the BRC said. Supply chain disruption linked to COVID had also pushed up the cost of furniture and electrical goods, it added. Prices were likely to rise more broadly later in the year, BRC chief executive Helen Dickinson said. "Global food prices are currently at their highest in seven years, shipping costs have risen threefold since 2019, and commodity prices are climbing. We will likely see these costs filter through in the second half of this year," she said. Some new post-Brexit rules which affect food imports from the European Union take effect from Oct. 1, with others coming later, which the BRC warned would push up prices too. (Reuters)

- **Italy statistics bureau hikes 2021 growth forecast as COVID clouds clear** – The Italian economy, will grow by 4.7% this year, national statistics bureau ISTAT said on Friday, raising a previous projection of 4.0% made in December as the country's coronavirus crisis eases. In its twice-yearly economic outlook report, ISTAT forecast that gross domestic product will increase by 4.4% next year. The institute's latest projections are fairly close to those of Mario Draghi's government, which sees growth of 4.5% this year and 4.8% in 2022. The sustained economic expansion forecast by ISTAT this comes on the back of the 8.9% contraction in 2020, a negative post-war record, when the euro zone's third largest economy was hobbled by lockdowns to try to contain the coronavirus. Growth over the next two years will be "due to domestic demand, led by investments and, to a significant but lesser extent, by consumer spending," ISTAT said in its twice-yearly report. Trade flows will offer only a marginal contribution to growth this year, it said, and will be a drag on growth in 2022. Draghi has been easing COVID-19 restrictions since April in response to a steady decline in new infections and daily deaths. Italy reported 59 coronavirus-related fatalities on Thursday, and 1,968 new infections. The International Monetary Fund on Thursday forecast Italian growth of 4.3% this year and 4.0% in 2022. The economy grew by 0.1% in the first quarter from the previous three months due to higher investments and inventories, ISTAT reported on Tuesday, sharply raising a preliminary estimate for a 0.4% contraction. The unusually strong revisions, which took the country out of recession, significantly increased the possibility of hitting Rome's 4.5% full year growth target. ISTAT forecast an average jobless rate of 9.8% this year, down from its December projection of 11.0%. It projected an average rate of 9.6% for 2022. The unemployment rate stood at 10.7% in April, ISTAT reported on Tuesday, the highest reading since October 2018. (Reuters)
- **China urges US to withdraw investment ban** – China said that it strongly condemned US President Joe Biden's signing of an order to ban investment in dozens of Chinese defense and tech firms. China urged the US to respect market law and principle and withdraw the investment ban list, foreign ministry spokesman Wang Wenbin told a regular news briefing. Biden signed an executive order that bans US entities from investing in dozens of

Chinese companies with alleged ties to defense or surveillance technology sectors, a move his administration says expands the scope of a legally flawed Trump-era order. (Reuters)

- **India Central bank says focused on growth as inflation not "persistent"** – The Reserve Bank of India (RBI) kept interest rates at record lows on Friday and announced additional bond purchases to support the economic recovery, at risk of being derailed by a devastating second wave of COVID-19 infections. The RBI's monetary policy committee (MPC) voted unanimously to hold the repo rate (INREPO=ECI), its key lending rate, at 4% and kept the reverse repo rate (INRREP=ECI), the borrowing rate, unchanged at 3.35% as predicted in a Reuters poll. The central bank also promised to keep its policy accommodative for as long as necessary, as it downgraded the growth forecast for the 2021/2022 fiscal year and said current inflation pressures would likely be transient. "At this point of time the MPC has very consciously taken the decision to focus on growth," said RBI Governor Shaktikanta Das during a press briefing. "The MPC was of the view that at this juncture policy support from all sides is required to gain the momentum of growth that was evident in the second half of 2021 and to nurture the recovery," Das said earlier in a statement. India's annual economic growth rate picked up in January-March compared with the previous three months, but economists are increasingly pessimistic about the June quarter after a huge wave of COVID-19 cases triggered lockdowns in several states. Das said RBI will buy 1.2tn rupees (\$16.44 bn) worth of bonds in the September quarter on top of the quantitative easing program announced in April. The RBI said then it would buy 1tn rupees worth of bonds under the G-SAP 1.0 program. Economists said the government would also need to step up and announce fiscal measures in an effort to aid the recovery as monetary policy alone will not prove adequate. "We believe that expecting the RBI to do all the heavy lifting for an economy suffering from massive demand destruction, is rather unfair on the central bank," said Kunal Kundu, India economist at Societe Generale. When asked about the need for fiscal stimulus, Das said it was the government's prerogative but added that the capital expenditure provisions made in the budget should aid in creating demand. Indian financial markets showed little reaction to the monetary policy announcement, which was widely expected. (Reuters)
- **Virus disaster leaves deep scars on India's economy** – Expectations for India's economic growth are being revised sharply lower as a surge in people losing their jobs and defaulting on debt suggest a more halting recovery from the financial shock of the COVID-19 pandemic. Economists are downgrading their estimates as a range of data – from the rate of cheques bouncing to the amount of mortgaged gold jewelry up for sale - shows the extent of the economic damage from a devastating second wave of the disease. Some observers also fear the psychological blow from the virus disaster that ripped through India this year killing tens of thousands of people will leave consumer reluctant to spend. India's government is sticking with a forecast that the economy will grow 10.5% in the fiscal year that started on April 1, but on Tuesday State Bank of India - the country's largest lender - slashed its growth forecast to 7.9% from 10.4%. After a 7.3% contraction in 2020-21 - the sharpest ever recorded by India - the relatively muted recovery puts India at odds with countries like United States and China that are seeing a swift rebound as they emerge from the pandemic, and suggests deeper damage has been done to an economy worth around \$2.9tn before the crisis hit. The knock-on effects of sub-par growth on a rapidly developing economy like India could be significant. "GDP growth of less than 10% will be a - I won't use the word disaster, but it will not be very beautiful," SBI's Chief Economist Soumya Kanti Ghosh told Reuters after lowering his forecast. The situation has

exacerbated unemployment that touched a 12-month high of 11.9% in May from 7.97% in April, according to data from the Centre for Monitoring Indian Economy. Rural unemployment that normally hovers around 6-7% also hit double digit levels in May, according to the privately owned firm. Last year, India announced a \$266 bn package to support the economy during a strict nationwide lockdown to contain the first coronavirus wave. But this was largely liquidity support given to banks to boost company credit, with less than a tenth of the sum used for welfare programs for the poorest in the country. India did not launch job support schemes on the scale of those seen in some developed economies and the government has not announced a major stimulus package since the second wave hit. Surging unemployment, coupled with state lockdowns, a large increase in hospitalizations and fatalities amid the second wave and fears of a third wave, are prompting many people to cut spending. Sales of goods including grocery, footwear, apparel and beauty products fell 49% in April, according to the Retail Association of India, whose head Kumar Rajagopalan anticipates a bigger decline in May. Meanwhile, sales of cars and motorcycles fell 30% in April over March and are expected to slump by over 60% in May as automakers including Maruti Suzuki and Hero MotoCorp halted production for several days amid rising infections. Dealerships remain closed. While car sales bounced back after the first wave last year it was not on a scale seen elsewhere and the recovery was brief. In many other economies demand for big-ticket purchases soared when pent-up demand was released, with new car sales in Europe jumping 256% YoY in April. Shashank Srivastava, executive director at Maruti Suzuki, India's biggest carmaker, pointed to a deep psychological impact from the second virus wave as the surge in deaths and hospitalizations caused distress and fear among people. "Cars are a discretionary purchase that require people to be in a good frame of mind," he said. (Reuters)

- **Putin says Russian economy is close to returning to pre-pandemic levels** – Russia's economy and the level of employment are close to reaching pre-pandemic levels, President Vladimir Putin said on Friday. Russia's commodity-dependent economy is on the mend after a 3% contraction in 2020, its sharpest in 11 years, although analysts warn that the rebound will run out of steam due to a lack of structural reforms and investments. (Reuters)

Regional

- **GPCA: GCC downstream chemical supply chain, operations 'most impacted' by Covid-19** – Chemical supply chain and operations have been the single most impacted business function within downstream organizations in the GCC in the past 15 months as a result of the Covid-19 pandemic, according to Gulf Petrochemicals and Chemicals Association (GPCA). A recent GPCA survey highlighted that in the path to recovery, chemical companies must focus on supply chain digitalization, sustainability, trade facilitation and regulatory engagement. Within these trends, carbon neutrality, Artificial Intelligence (AI) and Machine Learning (ML) will be the key segments to focus on and drive the highest impact on businesses' supply chains today, the survey found. The coronavirus pandemic of the last 15 months has demonstrated the acute importance of collaboration to build more agile, resilient, and responsive supply chains, said industry leaders at the recent 12th Gulf Petrochemicals and Chemicals Association (GPCA) Supply Chain Conference held virtually. Senior executives from across the chemical and petrochemical value chain, logistics service providers and shipping operators urged industry leaders to capitalize on the lessons learned during the pandemic and act upon them in the future – from collaborating more closely with the regulators, their customers, and strategic partners, to driving better supply chain

visibility, investing in digitalization, building their workforce capabilities, and focusing on supply chain sustainability. (Gulf-Times.com)

- **Russia Oil CEOs see OPEC+ hiking output again as market heats up** – The bosses of two of Russia's main oil companies expect OPEC+ to raise output further this year as the market heats up, perhaps as soon as its July meeting. The group, of which Russia is joint leader with Saudi Arabia, is currently restoring about 2mn bpd of idle production in monthly installments that end in July. The alliance may need to keep ramping up in August or September to feed the demand recovery, Gazprom Neft CEO, Alexander Dyukov said. "It's important not to allow the market to overheat," Dyukov said at the St. Petersburg International Economic Forum on Thursday. "An oil price in a range of \$65 to \$70 a barrel isn't stable in the long term." The OPEC and its allies gave few hints about output policy beyond July when they met earlier this week. While Russian Deputy Prime Minister, Alexander Novak has been a consistent advocate for production increases, his Saudi counterpart has preferred to keep a tighter rein on output. "We'll have to see demand before you see supply," Saudi Energy Minister, Prince Abdulaziz bin Salman said in St. Petersburg. (Bloomberg)
- **Saudi Arabia aims to raise \$55bn from a privatization plan** – Saudi Arabia is seeking to raise \$55bn from a privatization plan, the Kingdom's Finance Minister, Mohammed Al-Jadaan said on Thursday. He said the Kingdom had recently announced a privatization plan that includes identifying 160 projects in 16 sectors, including asset sales and public-private partnerships. "Our goal is to secure about \$55bn from the privatization plan, of which \$16.5bn will be in public-private partnerships." He added: "We are looking forward to using the private sector to manage and finance infrastructure, health services, urban transport networks, school buildings, airport services, water desalination plants, and sewage treatment through these partnerships, in order to ensure better, more cost-effective and efficient implementation that reduces the use of materials and energy, while providing improved products and services for the benefit of citizens and the world at large." Al-Jadaan opened a high-level conference entitled "2021 G20 Infrastructure Investors Dialogue: Financing Sustainable Infrastructure for the Recovery," along with Italian Minister of Economy and Finance Daniele Franco, in the presence of a number of G20 finance ministers, international and regional organizations, representatives of the private sector, senior investors and asset managers. The finance minister said that infrastructure plays an important role in promoting economic activities, fundamentally supports productivity, and provides a solid foundation for robust, inclusive and sustainable growth. (Zawya)
- **Saudi non-oil private sector expansion quickens as recovery deepens** – Saudi Arabia's non-oil private sector expanded for the ninth consecutive month in May and did so at a pace that quickened for a second straight month, a survey showed on Thursday, further solidifying its recovery from the pandemic and last year's historic slide in oil prices. The seasonally adjusted IHS Markit Saudi Arabia Purchasing Managers' Index (PMI) rose to 56.4 in May from 55.2 in April, its fastest pace of growth since January. It signaled a robust improvement in business conditions and approached the series average of 56.9. Saudi Arabia's economy, the largest in the Arab world, is expected to grow 2.1% in 2021 after shrinking 4.1% last year amid the twin shocks of the coronavirus pandemic and lower oil prices, the IMF said in a recent report. The output subindex, a measure of business activity, climbed to 62.0 in May from 58.7 in April, its strongest pace since late 2017. That reading, above the series average of 61.5, indicated a rapid increase in output as firms noted rising new orders and increased marketing activities. "Most firms

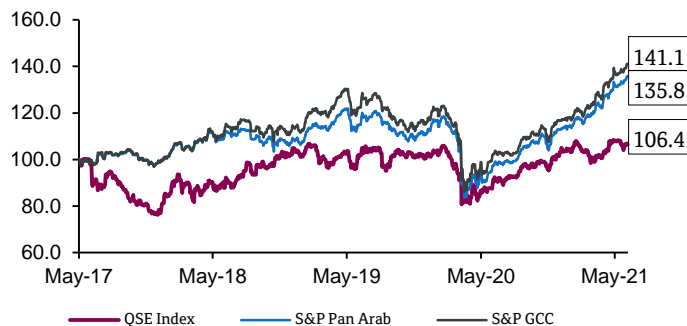
continued to operate with unchanged workforce numbers, suggesting a focus on boosting productivity back to pre-COVID levels. On the plus side, inventories were increased at the quickest pace in a year-and-a-half as firms prepare for a further recovery in demand over the coming months," Economist at survey compiler IHS Markit, David Owen said. (Reuters)

- **Saudi Aramco raises crude oil OSPs from Sidi Kerir for July** – Saudi Aramco raised July official selling prices for grades from the Egyptian port of Sidi Kerir by \$0.50 to \$1.20/bbl, according to a list seen by Bloomberg News. Arab Light OSP set at \$0.80/bbl discount to ICE Brent, compared with -\$1.80/bbl for June, Arab Extra Light at -\$0.10/bbl vs -\$1.30/bbl, Arab Medium -\$1.60/bbl vs -\$2.30/bbl, Arab Heavy -\$2.60/bbl vs -\$3.10/bbl. Prices of all four grades from Sidi Kerir are \$0.60 more than those shipped from Ras Tanura in the Persian Gulf for customers in Mediterranean; they were \$0.50 higher in June's price list. (Bloomberg)
- **Saudi Oil Minister says evidence of demand must precede supply** – "There will always be a good amount of supply to meet demand, but we'll have to see demand before you see supply," Saudi Energy Minister, Prince Abdulaziz bin Salman said in St. Petersburg. When asked about the demand trajectory, he said: "Consistently I've been saying -- I will believe it when I see it, so let's hope we can see it." (Bloomberg)
- **Saudi, Dubai fuel firms vie with ADNOC for Egyptian Army company** – Dubai's state energy firm and Petromin Corp. of Saudi Arabia are taking on the likes of Abu Dhabi National Oil Co. (ADNOC) by entering the bidding race for the first Egyptian army company being offered to investors, according to sources. Whichever company wins would partner with Egypt's sovereign wealth fund in taking joint full ownership of Wataniya Petroleum, a fuel distribution firm that has more than 200 filling stations and is run by the North African nation's military. (Bloomberg)
- **Saudi Arabia's Berain Water hires Samba for possible IPO** – Berain Water has hired the investment banking arm of Samba Financial Group to manage a possible initial public offering (IPO), Bloomberg reported citing sources. No final decision has yet been made on a potential 30% stake sale and the company may decide against an IPO, sources said. Riyadh-based Berain is one of Saudi Arabia's biggest bottled-water companies, and its listing would open a new industry to public investment in the Kingdom. Saudi Arabia is also expected to sell part of its Ras Al-Khair facility on Saudi Arabia's Arabian Gulf coast, one of the world's biggest desalination plants, later this year. (Zawya)
- **UAE non-oil private sector recovery continues but pace softens slightly** – The UAE's non-oil private sector expanded for a sixth consecutive month in May, though it did so at a pace slightly lower than in April and employment shrank for the fourth straight month, a survey showed on Thursday. The seasonally adjusted IHS Markit UAE Purchasing Managers' Index (PMI), which covers manufacturing and services, edged down to 52.3 in May from 52.7 in April, remaining below the series average of 54.1. The coronavirus crisis hit the Gulf state hard last year, both via the shock of low oil prices and the huge toll it took on vital non-oil economic sectors such as tourism. "UAE's non-oil private sector showed further signs of improvement in May, although growth slipped marginally from April's recent high. New orders were largely supported by domestic sales, as latest data signaled a slight decrease in export orders," said David Owen, economist at survey compiler IHS Markit. Output, a measure of business activity, also expanded for the sixth straight month, but did so at its slowest pace since February, softening to 53.6 in May from 55.4 in April. It was well below the series average of 57.3. "Employment numbers continued to disappoint in May, falling for the fourth month in a row. With backlogs starting to rise and demand strengthening, it is hoped that businesses will start to

raise their staffing levels soon to support overall growth," Owen said. (Reuters)

- **Dubai Economy clarifies full ownership procedures for foreign investors** – Dubai Economy has issued guidelines clarifying the procedures for full ownership for foreign investors that started from the beginning of June, in accordance with the Federal Decree-Law No. (26) of 2020 that amended some provisions of Federal Law No. (2) of 2015 regarding ownership of commercial companies. The strategic decision enhances the UAE's investment attractiveness and its advanced position on the global business map, while also reinforcing the competitive advantages that Dubai enjoys as an ideal investment destination, Dubai Economy stated. The decision will accelerate the UAE's economic recovery and add to the gains the country has made so far. It will also help further enhance Dubai's already high rankings in international investment indicators and leading global indices related to ease of doing business and business expansion. (Zawya)
- **Egypt's Juhayna says ADQ has not made formal offer for stake in business** – Egypt's Juhayna Food Industries has received no formal offer from Abu Dhabi fund ADQ to buy a stake in the business, it said in a statement to the Egyptian stock exchange on Thursday. The statement came after Bloomberg reported that state-owned ADQ was considering buying a stake in Juhayna. (Reuters)
- **Bahrain may tap international debt market in second half of 2021** – Bahrain has started talks with banks over a potential international debt sale in the second half of this year, Bloomberg reported citing sources. The discussions are still preliminary, the sources said. This debt sale would bring some relief to Bahrain after witnessing a sharp deterioration in finances during 2020 amid widespread lockdowns imposed by the pandemic, which curbed demand for energy and dragged Brent crude to the lowest level in about two decades. The last time the Bahraini Kingdom tapped the international debt market was in January, when it raised \$2bn. Bahrain's 2020 budget deficit of \$4.2bn exceeded the government's projection in its fiscal plan. Moody's Investors Service and S&P Global Ratings lowered the country's outlook to negative in the last few weeks. (Zawya)

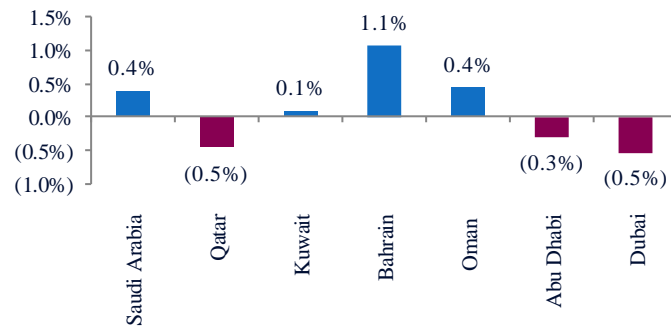
Rebased Performance



Source: Bloomberg
Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,891.59	1.1	(0.6)	(0.4)
Silver/Ounce	27.79	1.3	(0.5)	5.3
Crude Oil (Brent)/Barrel (FM Future)	71.89	0.8	3.2	38.8
Crude Oil (WTI)/Barrel (FM Future)	69.62	1.2	5.0	43.5
Natural Gas (Henry Hub)/MMBtu	2.97	(1.3)	4.6	24.3
LPG Propane (Arab Gulf)/Ton	91.75	1.0	3.1	21.9
LPG Butane (Arab Gulf)/Ton	99.00	2.3	5.9	42.4
Euro	1.22	0.3	(0.2)	(0.4)
Yen	109.52	(0.7)	(0.3)	6.1
GBP	1.42	0.4	(0.2)	3.6
CHF	1.11	0.5	0.1	(1.6)
AUD	0.77	1.1	0.4	0.6
USD Index	90.14	(0.4)	0.1	0.2
RUB	72.78	(0.6)	(0.5)	(2.2)
BRL	0.20	0.6	3.5	2.9

Daily Index Performance



Source: Bloomberg
Source: Bloomberg (*\$ adjusted returns)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,997.36	0.8	0.6	11.4
DJ Industrial	34,756.39	0.5	0.7	13.6
S&P 500	4,229.89	0.9	0.6	12.6
NASDAQ 100	13,814.49	1.5	0.5	7.2
STOXX 600	452.57	0.7	0.5	12.8
DAX	15,692.90	0.7	0.8	13.2
FTSE 100	7,069.04	0.5	0.4	13.5
CAC 40	6,515.66	0.5	0.2	16.8
Nikkei	28,941.52	0.3	(0.5)	(0.6)
MSCI EM	1,381.56	(0.1)	1.5	7.0
SHANGHAI SE Composite	3,591.85	0.3	(0.7)	5.6
HANG SENG	28,918.10	(0.1)	(0.6)	6.2
BSE SENSEX	52,100.05	(0.0)	0.7	9.4
Bovespa	130,125.80	0.8	7.0	11.5
RTS	1,647.06	0.6	2.7	18.7

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