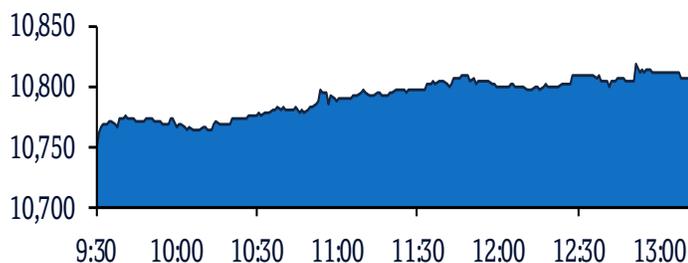


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.7% to close at 10,807.3. Gains were led by the Telecoms and Real Estate indices, gaining 2.0% each. Top gainers were Ahli Bank and Barwa Real Estate Company, rising 4.1% and 3.4%, respectively. Among the top losers, QLM Life and Medical Insurance fell 2.4%, while Qatar Oman Investment Company was down 0.7%.

## GCC Commentary

**Saudi Arabia:** The TASI Index fell marginally to close at 10,979.1. Losses were led by the Media & Entertainment and Health Care Equipment & Svc indices, falling 2.8% and 1.8%, respectively. Fawaz Abdulaziz Alhokair Co. declined 6.6%, while Gulf General Cooperative Insurance was down 4.3%.

**Dubai:** The DFM Index gained 0.2% to close at 2,816.6. The Transportation index rose 1.3%, while the Services index gained 0.8%. Amanat Holdings rose 3.1%, while Air Arabia was up 1.5%.

**Abu Dhabi:** The ADX General Index gained 0.9% to close at 6,899.3. The Investment & Financial Services index rose 3.2%, while the Telecommunication index gained 0.9%. Ras Al Khaimah White Cement & Construction Materials rose 10.7%, while Fujairah Cement Industries was up 4.5%.

**Kuwait:** The Kuwait All Share Index gained marginally to close at 6,388.0. The Financial Services index rose 0.7%, while the Basic Materials index gained 0.1%. Kuwaiti Syrian Holding Co rose 18.4%, while Bursa Kuwait Securities was up 8.0%.

**Oman:** The MSM 30 Index gained 0.4% to close at 4,079.1. Gains were led by the Services and Industrial indices, rising 0.3% and 0.2%, respectively. Global Financial Investments rose 3.1%, while Al Ahlia Insurance Company was up 3.0%.

**Bahrain:** The BHB Index fell marginally to close at 1,587.9. The Commercial Banks index declined 0.1%, while the other indices ended flat or in green. BBK declined 1.0%.

Market Indicators	01 Jul 21	30 Jun 21	%Chg.
Value Traded (QR mn)	334.7	502.9	(33.5)
Exch. Market Cap. (QR mn)	626,446.3	622,395.0	0.7
Volume (mn)	153.2	205.6	(25.5)
Number of Transactions	8,287	9,805	(15.5)
Companies Traded	47	45	4.4
Market Breadth	39:7	25:13	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,393.77	0.7	0.4	6.6	18.3
All Share Index	3,427.59	0.6	0.3	7.1	19.0
Banks	4,521.02	0.3	0.2	6.4	15.8
Industrials	3,615.64	0.8	1.0	16.7	27.8
Transportation	3,405.28	1.4	1.3	3.3	21.9
Real Estate	1,790.50	2.0	0.1	(7.2)	17.0
Insurance	2,616.59	0.4	(1.4)	9.2	23.2
Telecoms	1,098.04	2.0	(0.7)	8.6	29.1
Consumer	8,115.98	0.2	(0.4)	(0.3)	27.2
Al Rayan Islamic Index	4,560.65	0.6	0.3	6.8	19.6

GCC Top Gainers###	Exchange	Close#	1D%	Vol. '000	YTD%
Barwa Real Estate Co.	Qatar	3.08	3.4	2,165.1	(9.4)
Saudi Kayan Petrochem.	Saudi Arabia	18.66	3.3	18,645.7	30.5
Ooredoo	Qatar	7.50	2.8	3,069.1	(0.3)
Ooredoo Oman	Oman	0.42	2.5	178.4	6.6
Alinma Bank	Saudi Arabia	21.40	1.7	15,323.3	32.3

GCC Top Losers###	Exchange	Close#	1D%	Vol. '000	YTD%
Mouwasat Medical Serv.	Saudi Arabia	174.40	(3.2)	86.0	26.4
Sahara Int. Petrochemical	Saudi Arabia	29.80	(2.8)	2,669.7	72.1
Saudi Industrial Inv.	Saudi Arabia	34.05	(2.7)	1,744.8	24.3
SABIC Agri-Nutrients	Saudi Arabia	116.80	(2.2)	226.0	44.9
Dr Sulaiman Al Habib	Saudi Arabia	160.60	(1.7)	276.5	47.3

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%
Ahli Bank	3.80	4.1	2.0	10.2
Barwa Real Estate Company	3.08	3.4	2,165.1	(9.4)
Ooredoo	7.50	2.8	3,069.1	(0.3)
Qatar General Ins. & Reins. Co.	2.10	2.4	52.0	(21.1)
Qatar Industrial Manufacturing Co	2.85	1.7	4.8	(11.2)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.98	0.6	34,059.2	49.8
Investment Holding Group	1.12	1.1	29,105.8	87.1
Qatar Aluminum Manufacturing Co	1.53	0.2	11,759.7	58.5
Mazaya Qatar Real Estate Dev.	1.08	0.3	10,775.8	(14.6)
Baladna	1.53	0.4	5,254.0	(14.8)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
QLM Life and Medical Insurance	4.83	(2.4)	43.4	53.3
Qatar Oman Investment Company	0.99	(0.7)	3,173.2	11.2
Doha Bank	2.81	(0.6)	1,032.8	18.6
Diala Brokerage & Inv. Holding Co	1.61	(0.4)	811.7	(10.1)
Al Meera Consumer Goods Co.	19.25	(0.2)	74.1	(7.0)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Industries Qatar	13.40	1.1	36,614.0	23.3
Salam International Inv. Ltd.	0.98	0.6	33,288.3	49.8
Investment Holding Group	1.12	1.1	32,886.6	87.1
Ooredoo	7.50	2.8	22,882.3	(0.3)
Qatar Islamic Bank	17.38	0.5	21,240.1	1.6

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*	10,807.34	0.7	0.4	0.7	3.6	90.40	169,203.2	18.3	1.6	2.7
Dubai	2,816.56	0.2	(1.4)	0.2	13.0	31.51	105,660.8	21.4	1.0	2.8
Abu Dhabi	6,899.27	0.9	4.9	0.9	36.7	331.97	269,516.1	23.4	2.0	3.5
Saudi Arabia	10,979.05	(0.0)	0.5	(0.0)	26.3	3,233.82	2,586,070.3	36.0	2.4	1.9
Kuwait	6,388.03	0.0	(1.1)	0.0	15.2	188.80	121,231.2	40.7	1.6	2.0
Oman	4,079.09	0.4	0.8	0.4	11.5	6.32	18,566.1	14.3	0.8	3.8
Bahrain	1,587.91	(0.0)	0.6	(0.0)	6.6	2.19	24,482.6	27.3	1.1	2.1

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 rose 0.7% to close at 10,807.3. The Telecoms and Real Estate indices led the gains. The index rose on the back of buying support from Arab and foreign shareholders despite selling pressure from Qatari and GCC shareholders.
- Ahli Bank and Barwa Real Estate Company were the top gainers, rising 4.1% and 3.4%, respectively. Among the top losers, QLM Life and Medical Insurance fell 2.4%, while Qatar Oman Investment Company was down 0.7%.
- Volume of shares traded on Thursday fell by 25.5% to 153.2mn from 205.6mn on Wednesday. Further, as compared to the 30-day moving average of 170.2mn, volume for the day was 10.0% lower. Salam International Inv. Ltd. and Investment Holding Group were the most active stocks, contributing 22.2% and 19.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	41.97%	46.84%	(16,288,137.7)
Qatari Institutions	19.77%	20.94%	(3,907,500.9)
<b>Qatari</b>	<b>61.74%</b>	<b>67.78%</b>	<b>(20,195,638.7)</b>
GCC Individuals	0.35%	0.63%	(943,798.3)
GCC Institutions	2.14%	1.87%	899,451.0
<b>GCC</b>	<b>2.49%</b>	<b>2.50%</b>	<b>(44,347.4)</b>
Arab Individuals	15.28%	15.11%	552,835.0
Arab Institutions	0.00%	0.00%	–
<b>Arab</b>	<b>15.28%</b>	<b>15.11%</b>	<b>552,835.0</b>
Foreigners Individuals	4.39%	4.35%	139,263.0
Foreigners Institutions	16.11%	10.27%	19,547,888.1
<b>Foreigners</b>	<b>20.50%</b>	<b>14.61%</b>	<b>19,687,151.1</b>

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

## Ratings, Global Economic Data and Earnings Calendar

### Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Banque Saudi Fransi	Moody's	Saudi Arabia	LT – LBD/ LT – FBD/ABCA/BCA	A1/A1/a3/a3	A2/A2/baa1/baa1	↓	Negative	–
Saudi British Bank	Moody's	Saudi Arabia	L - LT BD/F- LT BD/ABCA/BCA	A1/A1/a3/a3	A2/A2/baa1/baa1	↓	Stable	↑

Source: News reports, Bloomberg (\* LT – Long Term, FBD – Foreign Bank Deposits, LBD – Local Bank Deposits, BCA – Baseline Credit Assessment, ABCA – Adjusted Baseline Credit Assessment)

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/01	US	Department of Labor	Initial Jobless Claims	26-Jun	364k	388k	415k
07/01	US	Department of Labor	Continuing Claims	19-Jun	3,469k	3,340k	3,413k
07/01	US	Markit	Markit US Manufacturing PMI	Jun	62.1	62.6	62.6
07/01	US	Institute for Supply Management	ISM Manufacturing	Jun	60.6	60.9	61.2
07/01	UK	Markit	Markit UK PMI Manufacturing SA	Jun	63.9	64.2	64.2
07/01	EU	Markit	Markit Eurozone Manufacturing PMI	Jun	63.4	63.1	63.1
07/02	EU	Eurostat	PPI MoM	May	1.3%	1.2%	0.9%
07/02	EU	Eurostat	PPI YoY	May	9.6%	9.6%	7.6%
07/01	Germany	Markit	Markit/BME Germany Manufacturing PMI	Jun	65.1	64.9	64.9
07/01	France	Markit	Markit France Manufacturing PMI	Jun	59.0	58.6	58.6
07/01	Japan	Markit	Jibun Bank Japan PMI Mfg	Jun	52.4	–	51.5
07/01	China	Markit	Caixin China PMI Mfg	Jun	51.3	51.9	52.0
07/01	India	Markit	Markit India PMI Mfg	Jun	48.1	–	50.8

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

### Earnings Calendar

Tickers	Company Name	Date of reporting 2Q2021 results	No. of days remaining	Status
QNBK	QNB Group	11-Jul-21	7	Due
QFLS	Qatar Fuel Company	11-Jul-21	7	Due
QGTS	Qatar Gas Transport Company Limited (Nakilat)	12-Jul-21	8	Due
MARK	Masraf Al Rayan	13-Jul-21	9	Due
QIBK	Qatar Islamic Bank	14-Jul-21	10	Due
QEWS	Qatar Electricity & Water Company	14-Jul-21	10	Due
KCBK	Al Khalij Commercial Bank	15-Jul-21	11	Due
NLCS	Aljjarah Holding	15-Jul-21	11	Due
ABQK	Ahli Bank	15-Jul-21	11	Due
DHBK	Doha Bank	27-Jul-21	23	Due

Source: QSE

## Qatar

- QGTS to disclose its semi-annual financial results on July 12** – Qatar Gas Transport Company Ltd. (QGTS, Nakilat) will disclose its financial statement for the period ending June 30, 2021 on July 12, 2021. (QSE)
- QGTS to hold its investor relations conference call on July 13** – Qatar Gas Transport Company Ltd. (QGTS, Nakilat) announced that the conference call with the Investors to discuss the financial results for the semi-annual 2021 will be held on July 13, 2021 at 01:30 pm, Doha Time. (QSE)
- Barwa's real estate projects in Mesaieed keep pace with its growth** – One of the main strategies of Barwa Real Estate Group since its establishment has been to support the country's plans for national growth through expansion outside the city of Doha, and the reconstruction of various parts of Qatar to build communities and achieve sustainable development. The development witnessed by Mesaieed in the field of fertilizer, petrochemical, iron, and steel production led to significant growth in all aspects of this city, which is associated with many major companies in the energy sector, such as Qatar Petroleum (QP) and Industries Qatar (IQCD). Barwa is keen to pursue various development projects in Mesaieed, including residential, commercial, and mixed-use, as these projects contributed to enhancing the social sustainability of the city, which is considered the industrial gateway to the State of Qatar in the south. (Gulf-Times.com)
- Qatar Petroleum becomes biggest emerging market bond issuer in 2021** – Qatar Petroleum has become the biggest emerging-market debt issuer this year after pricing a four-part deal on Wednesday. The state energy firm's \$12.5bn offering, which will help it boost production to pump more gas, lifts issuance in dollars and euros from developing nations to a record of \$428bn in the first half, according to data compiled by Bloomberg. (Bloomberg)
- Qatar Investment Authority holding in Credit Suisse to rebound** – The Qatar Investment Authority's stake in Credit Suisse Group AG is set to rebound after it subscribed to two convertible bonds, taking its holding to over 6%. Earlier this week, the Gulf nation cut its existing holding of 133mn shares to about 128mn shares or 4.8% of Credit Suisse. However, subscription to notes that convert to shares in November grants rights to another 1.168% stake, or an approximate 31mn in shares, according to a regulatory filing. The Swiss lender raised \$2bn earlier this year from investors through the sale of the notes, in an effort to alleviate any concerns after the firm was hit by a pair of scandals that left it the worst-performing major bank stock in Europe. Credit Suisse has been hit this year by the blow-ups of Archegos Capital Management and Greensill Capital, which caused billions of dollars in losses and further dents to its reputation. (Bloomberg)
- LNG exports drop to four-month low just as world needs supply** – The world's liquefied natural gas producers exported the least fuel since February, worsening a global supply crunch that has boosted spot prices to records. Global shipments in June fell from the previous month to about 30.5mn tons, according to ship-tracking data compiled by Bloomberg. Total shipments from top suppliers Qatar, Australia and the US declined 9.4% due to maintenance and production issues, although they were still up 17% from a year earlier. The drop in LNG supply comes just as gas-hungry nations in Europe are struggling to rebuild inventories drained by the previous winter, sending benchmark prices to an all-time high on Thursday. Meanwhile, Asian utilities are relentlessly raising bids to attract shipments to their region in anticipation of a hot summer. Brazil's worst drought in a century also helped push the country's LNG imports to a record last month. Top buyer China's imports fell almost 10% to 6.5mn tons in June, the data showed. Deliveries from Australia fell almost 20% amid an ongoing trade dispute as smaller buyers looked to diversify their spot purchases. Extended shutdowns at Australia's Gorgon and Ichthys export facilities also trimmed supply. (Bloomberg)
- QICCA official Construction contracts at forefront of mega projects in Qatar** – Construction contracts are at the forefront of the mega projects being implemented in the State of Qatar, according to Qatar International Centre for Conciliation and Arbitration (QICCA) board member for International Relations Sheikh Dr Thani bin Ali Al-Thani. Sheikh Thani, who is also a member and representative of the State of Qatar at the ICC Court of Arbitration, said commercial arbitration is an effective way to resolve these disputes after the failure of friendly mechanisms, such as negotiation, mediation, and others. (Gulf-Times.com)
- Number of ships calling on Qatar ports up more than 26% YoY in June** – Container and cargo throughput at Qatar's Hamad, Doha and Al Ruwais ports displayed robust performance YoY this June with more than 26% growth in the number of ships calling on these ports, according to Mwani Qatar. There was also a robust double-digit YoY expansion in the RORO (automobile) volumes and building materials through these ports in May 2021; indicating a robust outlook for the private sector. The number of ships calling on Qatar's three ports stood at 301 in June 2021, which was 26.47% higher on yearly basis. However, it was down by about 1% on monthly basis. As many as 1,652 ships had called on these ports during the first six months of this year. Hamad Port's strategic geographical location offers opportunities to create cargo movement towards the upper Gulf, supporting countries such as Kuwait and Iraq and south towards Oman. As many as 137 vessels had called on this port in June this year. Qatar's share in the overall Middle East trade is expected to significantly increase with the robust technological infrastructure supporting the Hamad Port's second container terminal (CT2). The container handling through the three ports stood at 130,815 TEUs (twenty-foot equivalent units), which grew 12.52% YoY but fell 6.12% MoM in June 2021. The container handling stood at 819,253 TEUs in January-June this year. QTerminals had recently tweeted that Hamad Port handled container volume of more than 5mn TEUs since the start of operations. The Hamad Port, which is the largest eco-friendly project in the region and internationally recognized as one of the largest green ports in the world, alone saw 129,640 TEUs of containers handling in June 2021. (Gulf-Times.com)
- Qatar's real estate sector picking up after pandemic lull, says expert** – Buoyed by a massive Covid-19 vaccination program and a successful campaign to curb the spread of coronavirus in the country, investors and major stakeholders have a positive outlook for Qatar's real estate sector, a Doha-based industry expert said. The Chairman of the Association of Filipino Realtors & Entrepreneur Executives in Qatar (Afreeq), Joseph Rivera said Qatar's property market, including domestic and international real estate investments, is improving as confidence of investors in buying is making a comeback. "With daily cases now falling below 150, I have no doubts that the market activity in Qatar's real estate sector would now return alongside our physical health stability," Rivera told Gulf Times. (Gulf-Times.com)
- Kerry: Qatar can show world the path to economic diversification** – Qatar is well positioned to be one of the countries that helps in the transitional process of diversifying

economies which mainly rely on oil and gas, Special Presidential Envoy for Climate John Kerry has said. "Qatar has a great ability to be able to make an example through – I mean, first of all the World Cup, I understand, is going to be a sustainable event, and they're working very hard to make that happen and to offset emissions and so forth." he told reporters at a telephonic press briefing on Thursday (July 1). Kerry discussed a number of developments, particularly the need for further collaboration aimed at intensifying the efforts to combat climate change, during his recent visit to the Middle East and North Africa. (Gulf-Times.com)

- **Demand revival cheers retail businesses** – Qatar's retail market is booming with business again as customers begin to line-up at billing counters. With easing of COVID-19 restrictions, customers are back with their shopping list, setting the cash registers ringing at malls, hypermarkets and showrooms. Buoyed by the uptick in customer demand, retailers are planning to launch new shopping campaign and offers. Last month was a gamechanger for Qatar's retail sector in reviving the customers' demand. "Last month was crucial in revival of demand in the market. We have seen significant pick up in the business. Customers are back in the market and this time they are focusing on value-buying," a senior official of major retailer told The Peninsula. (Peninsula Qatar)
- **Qatar's efforts in protecting expat workers and their rights win recognition** – US Secretary of State Antony Blinken honoured Assistant Undersecretary for Labour Affairs at the Ministry of Administrative Development, Labour and Social Affairs Mohamed Hassan Al-Obaidli as one of the heroes of combating human trafficking, during a virtual ceremony marking the release of the 2021 Trafficking in Persons (TIP) Report. The recognition is awarded to individuals who show exceptional commitment to combating human trafficking. A total of eight people from all over the world were recognized during the ceremony. The recognition crowns Qatar's efforts in countering human trafficking, and protecting expat workers and their rights in accordance with international standards and in line with the goals of Qatar National Vision 2030. The Ministry of Administrative Development, Labour and Social Affairs worked in that framework on supporting the state's efforts in developing labor laws. The National Committee to Combat Human Trafficking meanwhile coordinated national efforts in that field, in co-operation with the rest of the ministries and designated authorities, in order to provide protection to expat workers in line with the provisions of the law on combating human trafficking and treaties ratified by Qatar. (Gulf-Times.com)
- **Doha Metro to suspend services temporarily on Fridays, Eid holidays for system upgrade** – Qatar Rail has announced a temporary closure of Doha Metro services on Fridays and during the Eid al-Adha holidays due to a system upgrade across the network. In a statement Saturday, Qatar Rail said Doha Metro services will be suspended on Fridays between July 9 and August 13, and during the Eid holidays between July 21 and 24. The closure comes due to an "essential system upgrade across the network", the statement noted. The upgrade will allow Doha Metro to increase the network capacity, allowing more trains to operate and providing more frequent services to customers in the future. (Gulf-Times.com)
- **Qatar Airways becomes 1st airline to integrate vaccination certificates in 'Digital Passport' mobile app** – Qatar Airways has said it continues to set the benchmark for innovation, safety and customer service, becoming the first airline to trial COVID-19 vaccine authentication through the IATA Travel Pass 'Digital Passport' mobile app. "As more travelers return to the skies, the airline remains committed to reducing paperwork and providing a more contactless, secure and seamless travel experience for its

passengers," the national carrier said in a press statement. (Gulf-Times.com)

#### **International**

- **Global tax overhaul endorsed by 130 nations as deal gets closer** – The world took a big step sweeping changes to global taxation toward as 130 countries and jurisdictions endorsed setting a minimum rate for corporations along with rules to share the spoils from multinational firms like Facebook Inc. and Alphabet Inc.'s Google. After years of missteps and setbacks, the deal brokered in negotiations at the Organization for Economic Cooperation and Development sets the stage for Group of 20 finance ministers to sign off on an agreement in principle at a meeting in Venice next week. That could mean implementation as soon as 2023 of rules that would curtail tax avoidance by making multinational companies pay an effective rate of "at least 15 percent" and give smaller countries more tax revenue from foreign firms. A "small group" of nations "have not yet joined" the plan, the Paris-based OECD said in a statement yesterday. That includes Hungary and Ireland, which has attracted some of the world's big businesses with low taxes. Several key countries that had been question marks agreed to the terms, including India, China and Turkey, according to the OECD. The technical details may leave room for further concessions to developing. The broad agreement yesterday averts another stumble that could have proved fatal for efforts to rework tax rules, given only a short window of opportunity to get a global deal approved by the US Congress and other national parliaments. US Treasury Secretary Janet Yellen lauded the news, saying it was "an historic day for economic diplomacy." (Bloomberg)
- **IMF raises US 2021 growth forecast to 7%, assumes Biden spending plans pass** – The International Monetary Fund (IMF) raised its 2021 US growth projection sharply to 7.0% due to a strong recovery from the COVID-19 pandemic and an assumption that much of President Joe Biden's infrastructure and social spending plans will be enacted. The IMF's latest forecast, marking the fastest US growth pace since 1984, compares with an April projection of 4.6% growth in 2021. The Fund raised its 2022 US GDP growth forecast to 4.9%, up from its previous 3.5% April forecast. The new forecasts, contained in the IMF's annual assessment of US economic policies, assume that the US Congress will pass the Biden administration's American Jobs Plan and American Families Plan infrastructure, social spending and tax reform plans this year at a size and composition similar to their original proposals. IMF Managing Director Kristalina Georgieva said the two packages would implements many recommendations that the IMF has made for the US for years, including investments to boost productivity, education and to allow more women to join the American workforce. The Fund added that it expects U.S. inflation expectations to remain well-anchored, but these "will be obscured in the coming months by significant, transitory movements in relative prices," which could cause personal consumption expenditure inflation to peak temporarily near to 4% later this year. The IMF said the US should prioritize its spending toward programs with the biggest impact on boosting productivity, increasing labor force participation, reducing poverty and aiding a transition from carbon. It said the US should use tax policy to further these goals, scaling back poorly targeted tax expenditures and raising federal fuel taxes and introducing other carbon taxes. (Reuters)
- **US CBO doubles growth forecast to 7.4%; sees slight drop in federal deficit** – The Congressional Budget Office doubled its forecast for US economic growth in fiscal 2021 to 7.4% and said it expected the federal budget deficit to decline slightly to about \$3tn despite higher coronavirus aid spending. The upbeat forecast from the non-partisan CBO was mirrored by a sharply higher forecast for US economic output from the International

Monetary Fund, which raised its projection for US GDP growth to 7% from 6.4%. The White House welcomed both of the rosy projections - along with others in recent weeks from the World Bank, the Organization for Economic Cooperation and Development and the Federal Reserve - as evidence that President Joe Biden's plans to jumpstart the US economy were working. The non-partisan CBO said in updated forecasts that it expects gross domestic product growth to reach 7.4% in 2021, based on fourth-quarter comparisons, double its forecast for 3.7% growth from February. It said growth would taper off to 3.1% in 2022 and 1.1% in 2023. The CBO said the fiscal 2021 budget deficit would decline slightly to \$3tn after hitting a record \$3.129tn in 2020 due to coronavirus aid programs and a severe drop in economic activity after COVID-19 lockdowns. In February, the CBO projected a \$2.26tn deficit for fiscal 2021, which ends on Sept. 30, but that figure did not factor in the impact of President Joe Biden's \$1.9tn pandemic aid package enacted in March. The CBO said that legislation, known as the American Rescue Plan, added about \$1.1tn to its fiscal 2021 deficit projections. The projections do not include Biden's proposed investments in infrastructure, child care, education and other social programs, which could add trillions of dollars more to spending if not offset by tax or other revenue increases. But the agency said a stronger-than-expected economic rebound, aided by robust consumer demand and the rising numbers of Americans being vaccinated against COVID-19, was offsetting the impact of some of the rescue spending on the deficit. (Reuters)

- **US jobs gain largest in 10 months; employers raise wages, sweeten perks** – US companies hired the most workers in 10 months in June, raising wages and offering incentives to entice millions of unemployed Americans sitting at home, in a tentative sign that a labor shortage hanging over the economy was starting to ease. The Labor Department's closely watched employment report on Friday showed 151,000 people entered the labor force last month, though the proportion of working-age Americans who have a job or are looking for one did not budge from the tight range it has been in since June 2020. The acceleration in hiring suggested the economy ended the second quarter with strong momentum, following a reopening made possible by vaccinations against COVID-19. The survey of establishments showed nonfarm payrolls increased by 850,000 jobs last month. The economy created 15,000 more jobs in April and May than previously reported. Employment is about 6.8mn jobs below its peak in February 2020. Economists polled by Reuters had forecast payrolls would advance by 700,000 jobs. Women, who have been hardest hit by the pandemic, took nearly half of the jobs created last month. There are a record 9.3mn job openings. (Reuters)
- **US factory orders rebound strongly in May** – New orders for US-made goods rebounded sharply in May, while business spending on equipment remained solid, despite bottlenecks in the supply chain. The Commerce Department said on Friday that factory orders surged 1.7% in May after slipping 0.1% in April. Economists polled by Reuters had forecast factory orders rebounding 1.6%. Orders increased 17.2% on a YoY basis. Manufacturing accounts for 11.9% of the US economy. Massive fiscal stimulus boosted demand for long-lasting manufactured goods during the COVID-19 pandemic, with millions of American working from home and learning remotely. Factories are struggling to keep up as the pandemic fractured supply chains and disrupted the global shipping industry. The Institute for Supply Management reported on Thursday that manufacturing activity grew moderately in June. Factory goods orders in June were boosted by a 7.7% surge in orders for transportation equipment. Orders for electrical equipment, appliances and components rose 1.3%. Unfilled orders at factories rose 0.8%

after gaining 0.4% in April. 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, edged up 0.1% in May instead of dipping 0.1% as reported last month. Shipments of core capital goods, which are used to calculate business equipment spending in the GDP report, increased 1.1%, upwardly revised from the 0.9% rise estimated last month. (Reuters)

- **US labor market recovery gaining steam; worker shortages an obstacle** – The number of Americans filing new claims for unemployment benefits fell more than expected last week, while layoffs plunged to a 21-year low in June, suggesting the labor market recovery from the COVID-19 pandemic was gaining traction. But a shortage of willing workers is hampering hiring, with other data on Thursday showing a measure of employment at factories contracting in June for the first time in seven months. Manufacturers said they were experiencing "difficulty in hiring and retaining direct labor," the Institute for Supply Management (ISM) said in its survey of national factory activity, noting that these challenges "across the entire value chain continue to be the major obstacles to increasing growth." One respondent in primary metals said "lack of labor is killing us." The data was released ahead of Friday's closely watched employment report for June, which according to a Reuters survey of economists will likely show nonfarm payrolls increasing by 700,000 jobs last month after rising by 559,000 in May. The unemployment rate is forecast to tick down to 5.7% from 5.8%. The economy is experiencing a boom in demand following a reopening made possible by vaccinations against the coronavirus, with more than 150 million Americans fully immunized. (Reuters)
- **Britain sets out vision for post-Brexit financial services** – Britain's finance minister pledged on Thursday to "sharpen" the competitive advantage of the UK financial services sector as he set out his vision for its future after the City of London lost business to the bloc after Brexit. In his first Mansion House speech, traditionally an annual address given by the Chancellor of the Exchequer in the City of London financial district, Rishi Sunak said Britain's departure from the European Union was a unique opportunity to tailor rules while maintaining high regulatory standards and open markets. Brexit has largely severed the City's ties with investors in the EU, triggering a shift in over 7,500 financial jobs from London to new hubs in the bloc, with Amsterdam leapfrogging London to become Europe's biggest share trading center. Last year the finance ministry rolled out reviews to listings rules, fintech and insurance capital rules, and on Thursday it announced there would be further public consultations on financial reforms. Sunak's ministry set out plans to change a slew of rules inherited from the EU, which could make Brussels think even harder about granting any direct City access to the bloc due to inevitable differences emerging in hitherto identical rules. Britain said it plans to scrap curbs on "dark" or off exchange trading favored by big investors wanting anonymity but distrusted by EU regulators. (Reuters)
- **PMI: Eurozone factory growth, input costs hit record highs in May** – Eurozone manufacturing activity expanded at a record pace in May, according to a survey on Tuesday which suggested growth would have been even faster without supply bottlenecks that have led to an unprecedented rise in input costs. The bloc's economy has been ravaged by the coronavirus pandemic over the past year, with governments forcing much of the region's dominant service industry to close. But factories largely remained open, and restrictions in various countries have gradually been eased. IHS Markit's final Manufacturing Purchasing Managers' Index (PMI) rose to 63.1 in May from April's 62.9, above an initial 62.8 "flash" estimate and the highest reading since the survey began in June 1997. An index measuring output, which feeds into

a composite PMI due on Thursday and is seen as a good guide to economic health, eased from April's 63.2 to 62.2. Anything above 50 indicates growth. (Reuters)

- **German Finance Minister Scholz says OECD tax agreement marks 'colossal progress'** – German Finance Minister Olaf Scholz on Thursday said an agreement by 130 countries backing a global corporate minimum tax marked the biggest breakthrough in global taxation in decades. "The race to the bottom in competition is over," Scholz told reporters during a visit to Washington shortly after the agreement was reached in talks led by the Organization for Economic Cooperation and Development. He said details still needed to be worked out, but the agreement marked "colossal progress" and would allow countries to increase investment in infrastructure and efforts to combat climate change. Scholz said the 130 countries represented 90% of global gross domestic output and reflected huge efforts by Germany and other countries to ensure fair taxation of big technology corporations like Amazon. He said the goal was to ensure that finance officials from the Group of 20 major economies endorse the plan when they meet in Venice July 9-10, following a similar move by the Group of Seven advanced economies in London last month. "This is the biggest progress in international taxation we have had since 10, 20, 30 years," he said. "It's a really big breakthrough, and it will change everything." Scholz said the agreement would help countries ensure they have more funding to pay for "important priorities" such as infrastructure, climate change and social spending needs. (Reuters)
- **Finance Minister: French economic growth will depend on COVID-19 vaccines** – France's economic growth will be dependent upon its COVID-19 vaccination program, French Finance Minister Bruno Le Maire told Le Parisien newspaper in an interview published on its website. Concerns are increasing in France over the impact of the Delta variant of the coronavirus, which now represents around a third of France's cases, Health Minister Olivier Veran said. Le Maire had said at the end of June that he would keep his 5% French economic growth forecast for 2021, rather than give a higher estimate such as one made by the Bank of France, because of the risks posed by the Delta variant, first detected in India. "Our growth will be dependent upon vaccination," Le Maire told Le Parisien. (Reuters)
- **Ministry: Brazil posts \$10.4bn trade surplus in June** – Brazil posted a \$10.4bn trade surplus in June, figures showed on Thursday, close to the consensus forecast in a Reuters poll for a \$10.7bn surplus and up sharply from a \$6.5bn surplus in the same month last year. Exports in June totaled \$28.1bn and imports were \$17.7bn, the ministry said. That brings the trade surplus in the first half of the year to \$37.5bn, up 68% from the \$22.3bn surplus registered in the same period a year ago. (Reuters)

#### Regional

- **OPEC+ seeks oil policy consensus as UAE demands changes** – An OPEC+ deal to release more oil to the market and extend its supply management policy to the end of 2022 hinges on agreement from the UAE, which has opposed the deal and pushed talks into a second day, OPEC+ sources said. The UAE on Thursday effectively blocked a deal agreed by top producers Saudi Arabia and Russia to ease oil cuts by 2mn bpd by the end of 2021 and extend the remaining cuts to December 2022 from April 2022. OPEC+ sources have said the UAE - though it did not object to the output increase - is arguing that the new deal needs to acknowledge that the UAE has higher production from which cuts are being made. It says it had previously agreed to a very low baseline figure as a gesture of goodwill and in the hope that the cut would end in April 2022, as was agreed in April 2020. (Reuters)

- **Russia's June oil, gas condensate output drops to 10.42mn bpd** – Russian oil and gas condensate output declined to 10.42mn bpd in June from 10.45mn bpd in May, according to Reuters calculations based on an Interfax report citing energy ministry data on Friday. It was the second straight month of decline and the lowest since March, when it stood at 10.25mn bpd. Total oil and gas condensate production stood at 42.64mn tons in June versus 44.21mn in May, which has one more day, the agency said. Russia has been restraining its output in line with a global production deal aimed at balancing the oil market. The deal - agreed by OPEC+, a group of oil producers including Russia - was designed to cut output by almost 10mn bpd from May 2020. The cuts are to be phased out by end-April 2022 and now stand at about 5.8mn bpd. (Reuters)
- **Saudi Aramco CFO Khalid al-Dabbagh steps down** – Saudi Aramco Chief Financial Officer, Khalid al-Dabbagh has stepped down and been replaced by Ziad al-Murshed, who takes over the role in an acting capacity, the Saudi oil company said on Thursday. Murshed, as acting Senior Vice President of finance, strategy and development, will oversee Aramco's strategy, corporate planning & performance management, treasury, finance, accounting, reporting, investor relations, and internal controls, the statement said. Bloomberg News reported that Dabbagh would join the firm's board while retaining the Chairmanship of Aramco unit Saudi Basic Industries Corp. (Reuters)
- **Fawaz Abdulaziz Alhokair to consider restructuring capital** – Fawaz Abdulaziz Alhokair's board has authorized management to study ways to restructure capital, including capital reduction and subsequent capital increase. Aims to reduce accumulated losses amounting to SR1.04bn as at the end of FY 2021 ending March 31. It will appoint financial and legal advisors. (Bloomberg)
- **Seera Partners with Kaden to develop hotels in Saudi** – Seera, Kaden Investment in joint venture will manage, develop hotels in various projects developed by Kaden in Saudi Arabia. First hotel will be launched at Riyadh Front. (Bloomberg)
- **Moody's downgrades Banque Saudi Fransi, maintains negative outlook** – Moody's Investors Service has downgraded the local and foreign currency long-term bank deposit ratings of Banque Saudi Fransi (BSF) to A2 from A1. In addition, the bank's Baseline Credit Assessment (BCA) and Adjusted BCA were downgraded to baa1 from a3. The outlook on the bank's long-term deposit ratings remains negative, reflecting the negative outlook on the A1 issuer rating of the Saudi government. The downgrade of BSF's BCA to baa1 from a3 reflects continued pressure on the bank's asset quality, in addition to moderating profitability and liquidity buffers. BSF's nonperforming loans (NPLs) have increased in recent years, reaching 3.1% as at December 2020. BSF's profitability has also slightly weakened recently and will remain below pre-pandemic levels, pressured by higher than average cost of risk and the low rates environment. The bank's liquidity buffers remain strong but have moderated as the bank retired some more expensive deposits to maximize returns on its balance sheet. BSF's baa1 BCA also reflects the bank's strong capitalization and solid funding profile. (Bloomberg)
- **Moody's downgrades Saudi British Bank, outlook changed to stable** – Moody's Investors Service has downgraded the local and foreign currency long-term bank deposit ratings of Saudi British Bank (SABB) to A2 from A1. In addition, the bank's Baseline Credit Assessment (BCA) and Adjusted BCA were downgraded to baa1 from a3. The outlook on the bank's long-term deposit ratings was changed to stable from negative. The downgrade of SABB's BCA to baa1 from a3 reflects the continued pressure on the bank's asset quality and moderating profitability. SABB's nonperforming loans (NPLs, which includes reported stage 3 loans and purchased or originated credit impaired assets)

have increased following its merger with Alawwal bank (6.2% in December 2020). Additionally, SABB's profitability has moderated following the merger due to the increased cost of risk and merger related expenses, both of which Moody's expects will normalize going forward (merger expenses concluded in 1Q2021 and cost of risk expected at 30-60 bps), although profitability will remain pressured due to low rates and intense competition in the corporate banking sector. SABB's baa1 BCA also reflects the bank's strong capital, healthy liquidity buffers and sound funding profile. (Bloomberg)

- **Dubai cloud kitchen Kitopi raises \$415mn from investors including SoftBank** – Dubai cloud kitchen Kitopi said on Thursday it raised \$415mn from investors including SoftBank in its series C funding round. Cloud kitchens prepare food for delivery and have benefited from the shift to online buying during the coronavirus crisis. Kitopi said other investors who participated included Abu Dhabi investment firm Chimera, Abu Dhabi state holding firm ADQ's venture capital platform DisruptAD, B.Riley, Turkey's Dogus Group, US firm Next Play Capital and UK firm Nordstar. "Kitopi will channel the new funding to fuel its continued expansion within the Middle East and support entry to new markets such as Southeast Asia, which has a highly attractive and fast-growing online food delivery market," Kitopi said in a statement. (Reuters)
- **DP World acquires logistics firm Syncreon in \$1.2bn deal** – Dubai state-owned port operator DP World said on Thursday it had acquired US-based global logistics firm Syncreon for an enterprise value of \$1.2bn. Syncreon, which provides warehouse management, transport management, export packing, and fulfilment, has a presence in 19 countries across 91 locations, DP World said, adding that the acquisition would be funded from existing available resources. The deal, subject to customary completion conditions, is expected to close in the second half of the year. (Reuters)
- **ADNOC adds Goldman Sachs to lead banks on drilling IPO** – Abu Dhabi National Oil Company (ADNOC) has added Goldman Sachs to a lead role on the initial public offering of its drilling unit, sources said, in the bank's first such high-profile deal in the emirate since 2019. Goldman Sachs' investment banking unit was sidelined from any new business from Abu Dhabi two years ago after state fund Mubadala's subsidiary filed a lawsuit against it to recover losses suffered through its dealings with Malaysia's fund 1MDB. Goldman Sachs will work on ADNOC Drilling's public share-sale as global coordinator, joining a large syndicate of advisors on the deal, said two sources familiar with the matter. (Reuters)
- **Abu Dhabi Sovereign fund Mubadala prepares launch of 2 SPACs** – Mubadala Investment Company has been talking to investors about SPACs focusing on technology and health care, according to the Financial Times, citing sources. Report adds that FIM Partners is seeking to raise \$200mn in an IPO of Frontier Investment Corp, which could be announced as early as Thursday, according to sources. (Bloomberg)
- **Oman deficit at \$2.3bn in May as oil revenue declines** – Oman posted a year-to-date budget deficit of \$2.32bn in May, the ministry of finance said on Thursday, as low oil prices and lower crude output weigh on the finances of the small Gulf producer. Oman is among the weakest countries financially in the oil-rich region and more vulnerable to swings in the price of hydrocarbons, a sector that accounted for about a third of its GDP in 2019. Oil revenues in the first five months of this year declined by 23% when compared to the same period in 2020, the ministry said. Total revenue, including non-oil, was down 19%. Oman has reined in public spending to reduce its fiscal shortfall but the rate of adjustment lags the revenue drop. "Public spending continues to decline as fiscal consolidation continues," the ministry said.

Expenditure was down 2.9% annually in the year till May. GDP at current prices was down by 2.5% in the first quarter, pressured by a 20.6% decline in oil activities, while the non-oil sector was up by 5.7%, the ministry said. Oman introduced a medium-term fiscal plan in October last year which reassured investors and helped the sultanate to raise billions of dollars in loans and bonds this year. (Reuters)

- **Kuwaiti sovereign fund posts 33% annual growth in returns** – Returns for Kuwait's sovereign fund, the Future Generations Fund, grew 33% in the year to March 31, the finance ministry said. The fund is managed by the Kuwait Investment Authority (KIA), which had more than \$580bn in foreign assets at the end of last year, according to ratings agency Fitch. A government source said the bull run in US stocks was one of the main drivers of the rise in the FGF's returns, which increased by more than \$150bn in the last fiscal year. "We are overweight in the US and we are overweight in US stocks - more than 50% of our assets were stocks. This was very good for us," the source said. Kuwait Investment Authority likely broke into the world's top three sovereign wealth funds by assets. The Future Generations Fund, managed by the authority known as KIA, has risen to a record of about \$700bn, according to sources. Its assets were valued at around \$670bn at the close of the last fiscal year on March 31, sources said. The fund, a national savings pot designed to help the country prepare for life after oil, has more than half of its investments in the US, where equity markets have been on a tear. KIA, the world's oldest sovereign wealth fund whose roots predate the birth of the modern state of Kuwait, doesn't officially disclose the value of its assets. The increase would mean that the KIA, which also manages the nation's General Reserve Fund, has amassed more assets than Abu Dhabi Investment Authority, the emirate's rainy-day fund, which is estimated by the SWF Institute to have just over \$649bn. Kuwait's windfall abroad contrasts with its dire fiscal challenges at home, compounded by a standoff between members of the only elected parliament in the Gulf and a government whose leader is appointed by the ruling emir. Kuwait's government, which needs legislative authorization to withdraw from the Future Generations Fund, submitted a draft law to parliament earlier this year seeking permission to tap as much as \$16.6bn from it a year to help finance a spiraling deficit. (Reuters, Bloomberg)
- **Kipco to sell 45% stake in unit Al-Ansar for KD48.7mn** – Kipco has signed contract to sell stake in Al-Ansar United Real Estate to Al Futtouh Holding, a related party. It sees a positive impact in 2Q2021 results through realization of profit of about KD27mn. (Bloomberg)

## Rebased Performance

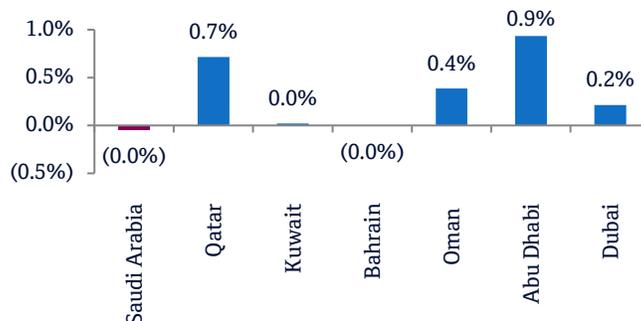


Source: Bloomberg

Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,787.30	0.6	0.3	(5.9)
Silver/Ounce	26.47	1.7	1.4	0.3
Crude Oil (Brent)/Barrel (FM Future)	76.17	0.4	(0.0)	47.0
Crude Oil (WTI)/Barrel (FM Future)	75.16	(0.1)	1.5	54.9
Natural Gas (Henry Hub)/MMBtu	3.30	0.0	(2.9)	38.1
LPG Propane (Arab Gulf)/Ton	111.75	1.6	7.5	48.5
LPG Butane (Arab Gulf)/Ton	123.75	2.1	7.5	78.1
Euro	1.19	0.1	(0.6)	(2.9)
Yen	111.05	(0.4)	0.3	7.6
GBP	1.38	0.4	(0.4)	1.1
CHF	1.09	0.5	(0.4)	(3.9)
AUD	0.75	0.7	(0.8)	(2.2)
USD Index	92.23	(0.4)	0.4	2.5
RUB	73.26	(0.2)	1.4	(1.5)
BRL	0.20	(0.2)	(2.5)	2.6

## Daily Index Performance



Source: Bloomberg

Source: Bloomberg (\*\$ adjusted returns)

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,046.09	0.6	0.7	13.2
DJ Industrial	34,786.35	0.4	1.0	13.7
S&P 500	4,352.34	0.8	1.7	15.9
NASDAQ 100	14,639.33	0.8	1.9	13.6
STOXX 600	456.81	0.2	(1.0)	10.9
DAX	15,650.09	0.3	(0.5)	9.9
FTSE 100	7,123.27	0.2	(0.9)	11.5
CAC 40	6,552.86	(0.1)	(1.8)	14.4
Nikkei	28,783.28	0.6	(1.3)	(2.6)
MSCI EM	1,355.38	(0.9)	(1.8)	5.0
SHANGHAI SE Composite	3,518.76	(2.0)	(2.7)	2.2
HANG SENG	28,310.42	(1.8)	(3.4)	3.8
BSE SENSEX	52,484.67	0.4	(1.3)	7.8
Bovespa	127,621.70	1.0	(2.1)	9.6
RTS	1,659.72	0.2	(0.7)	19.6

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