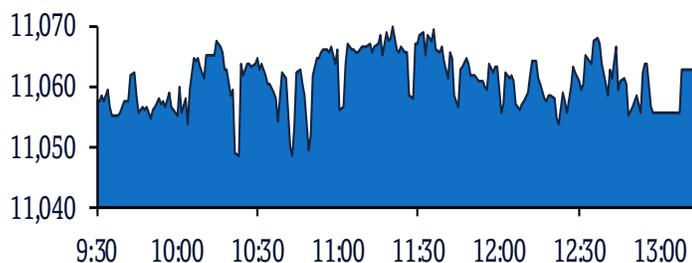


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index declined marginally to close at 11,062.9. Losses were led by the Industrials and Transportation indices, falling 0.5% and 0.3%, respectively. Top losers were Zad Holding Company and Mesaieed Petrochemical Holding, falling 1.4% and 1.0%, respectively. Among the top gainers, Qatar First Bank gained 2.7%, while The Commercial Bank was up 1.1%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.1% to close at 11,414.3. Gains were led by the Diversified Financials and Materials indices, rising 0.8% and 0.7%, respectively. Batic Investments and Logistic rose 4.3%, while Tabuk Agricultural Development Co. was up 3.6%.

**Dubai:** The DFM Index gained 0.1% to close at 2,909.4. The Insurance and Telecommunication indices rose 0.3% each. Ektitab Holding Company rose 4.9%, while Emirates Refreshments Co. was up 4.5%.

**Abu Dhabi:** The ADX General Index gained 1.2% to close at 7,718.3. The Telecommunication index rose 6.5%, while the Industrial index gained 1.9%. Sharjah Group rose 14.9%, while Fujairah Cement Industries was up 9.6%.

**Kuwait:** The Kuwait All Share Index gained 0.3% to close at 6,803.9. The Insurance index rose 4.3%, while the Technology index gained 1.1%. Umm Al Qaiwain General Investment rose 17.9%, while Gulf Insurance Group was up 9.6%.

**Oman:** The MSM 30 Index fell 0.3% to close at 3,960.1. Losses were led by the Financial and Services indices, falling 0.5% and 0.2%, respectively. Aljazeera Services declined 2.5%, while Phoenix Power was down 2.2%.

**Bahrain:** The BHB Index gained 0.1% to close at 1,660.1. The Real Estate index rose 2.4%, while the Industrials index gained 0.5%. Nass Corp rose 7.5%, while GFH Financial Group was up 2.5%.

Market Indicators	07 Sept 21	06 Sept 21	%Chg.
Value Traded (QR mn)	315.4	275.8	14.4
Exch. Market Cap. (QR mn)	637,145.9	637,497.4	(0.1)
Volume (mn)	129.1	118.2	9.3
Number of Transactions	8,531	7,015	21.6
Companies Traded	43	46	(6.5)
Market Breadth	20:19	22:21	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,899.72	(0.0)	(0.1)	9.2	16.8
All Share Index	3,513.73	(0.0)	(0.0)	9.8	17.6
Banks	4,753.02	0.1	0.2	11.9	15.7
Industrials	3,583.08	(0.5)	(0.5)	15.7	19.2
Transportation	3,412.03	(0.3)	(0.6)	3.5	19.1
Real Estate	1,794.67	(0.2)	(0.2)	(6.9)	16.6
Insurance	2,611.97	0.1	0.2	9.0	17.3
Telecoms	1,039.95	0.3	0.3	2.9	N/A
Consumer	8,219.26	0.2	(0.1)	0.9	22.3
Al Rayan Islamic Index	4,624.48	(0.1)	(0.2)	8.3	17.5

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Emirates Telecom. Group	Abu Dhabi	24.16	6.7	5,966.1	45.7
Saudi Arabian Mining Co.	Saudi Arabia	75.80	3.3	1,316.9	87.2
Saudi Arabian Fertilizer	Saudi Arabia	129.80	2.9	563.6	61.0
Emaar Malls	Dubai	2.09	1.5	7,873.4	14.2
Saudi Cement Co.	Saudi Arabia	64.40	1.4	284.3	4.7

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
Bank Nizwa	Oman	0.10	(2.1)	356.6	(1.0)
Ominvest	Oman	0.31	(1.3)	60.5	(7.1)
Saudi Telecom Co.	Saudi Arabia	134.40	(1.2)	636.2	27.8
Saudi British Bank	Saudi Arabia	33.80	(1.2)	466.2	36.7
Mouwasat Medical Serv.	Saudi Arabia	191.00	(1.0)	74.5	38.4

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%
Qatar First Bank	1.87	2.7	5,468.0	8.7
The Commercial Bank	6.03	1.1	884.6	37.0
Qatar Fuel Company	17.98	0.8	104.3	(3.7)
Investment Holding Group	1.26	0.7	33,850.4	110.2
Gulf International Services	1.50	0.5	2,595.3	(12.4)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Investment Holding Group	1.26	0.7	33,850.4	110.2
Salam International Inv. Ltd.	0.94	0.0	22,364.0	44.4
Qatar Aluminum Manufacturing Co	1.63	0.2	11,203.1	68.0
Qatari German Co for Med. Dev.	3.06	(0.1)	5,763.9	36.7
Qatar First Bank	1.87	2.7	5,468.0	8.7

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Zad Holding Company	15.72	(1.4)	6.1	16.0
Mesaieed Petrochemical Holding	1.97	(1.0)	2,169.4	(3.6)
Industries Qatar	12.89	(0.8)	1,010.6	18.6
Al Meera Consumer Goods Co.	19.80	(0.8)	47.5	(4.4)
Qatar Gas Transport Company	3.06	(0.6)	2,785.2	(3.9)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.00	0.1	52,846.4	6.6
Investment Holding Group	1.26	0.7	42,489.7	110.2
Masraf Al Rayan	4.52	(0.0)	21,572.0	(0.3)
Salam International Inv. Ltd.	0.94	0.0	20,992.2	44.4
Qatar Aluminum Manufacturing	1.63	0.2	18,160.8	68.0

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*	11,062.92	(0.0)	(0.1)	(0.3)	6.0	85.51	172,666.5	16.8	1.6	2.7
Dubai	2,909.37	0.1	(0.1)	0.2	16.7	39.45	107,525.4	21.5	1.0	2.7
Abu Dhabi	7,718.34	1.2	0.9	0.4	53.0	409.81	365,855.5	23.7	2.2	3.0
Saudi Arabia	11,414.34	0.1	0.8	0.8	31.4	2,005.13	2,623,913.9	27.6	2.4	2.2
Kuwait	6,803.87	0.3	(0.1)	0.3	22.7	103.39	129,052.0	31.2	1.7	1.8
Oman	3,960.09	(0.3)	(0.4)	(0.2)	8.2	9.10	18,594.6	12.6	0.8	3.9
Bahrain	1,660.13	0.1	(0.2)	0.9	11.4	2.97	26,636.7	11.7	0.8	3.3

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

## Qatar Market Commentary

- The QE Index declined marginally to close at 11,062.9. The Industrials and Transportation indices led the losses. The index fell on the back of selling pressure from Qatari, GCC and Arab shareholders despite buying support from foreign shareholders.
- Zad Holding Company and Mesaieed Petrochemical Holding were the top losers, falling 1.4% and 1.0%, respectively. Among the top gainers, Qatar First Bank gained 2.7%, while The Commercial Bank was up 1.1%.
- Volume of shares traded on Tuesday rose by 9.3% to 129.1mn from 118.2mn on Monday. However, as compared to the 30-day moving average of 168.2mn, volume for the day was 23.2% lower. Investment Holding Group and Salam International Inv. Ltd. were the most active stocks, contributing 26.2% and 17.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	43.11%	49.46%	(20,018,481.9)
Qatari Institutions	17.68%	22.60%	(15,501,907.0)
<b>Qatari</b>	<b>60.79%</b>	<b>72.05%</b>	<b>(35,520,389.0)</b>
GCC Individuals	0.41%	0.29%	385,769.9
GCC Institutions	0.85%	1.40%	(1,728,301.4)
<b>GCC</b>	<b>1.26%</b>	<b>1.68%</b>	<b>(1,342,531.5)</b>
Arab Individuals	8.90%	9.45%	(1,738,113.4)
Arab Institutions	0.08%	0.15%	(212,233.2)
<b>Arab</b>	<b>8.97%</b>	<b>9.59%</b>	<b>(1,950,346.6)</b>
Foreigners Individuals	2.66%	3.38%	(2,262,607.1)
Foreigners Institutions	26.32%	13.29%	41,075,874.1
<b>Foreigners</b>	<b>28.98%</b>	<b>16.67%</b>	<b>38,813,267.1</b>

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

## Earnings Releases and Global Economic Data

### Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2021	% Change YoY	Operating Profit (mn) 2Q2021	% Change YoY	Net Profit (mn) 2Q2021	% Change YoY
Riyadh Cement Co.	Saudi Arabia	SR	401.4	34.3%	173.1	38.4%	160.4	32.2%

Source: TASI

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07-09	EU	Eurostat	Gross Fix Cap QoQ	2Q	1.10%	1.30%	-0.20%
07-09	EU	Eurostat	Household Cons QoQ	2Q	3.70%	3.00%	-2.10%
07-09	EU	Eurostat	Govt Expend QoQ	2Q	1.20%	0.60%	-0.50%
07-09	EU	Eurostat	Employment QoQ	2Q	0.70%	--	0.50%
07-09	EU	Eurostat	Employment YoY	2Q	1.80%	--	1.80%
07-09	EU	Eurostat	GDP SA QoQ	2Q	2.20%	2.00%	2.00%
07-09	EU	Eurostat	GDP SA YoY	2Q	14.30%	13.60%	13.60%
07-09	Germany	Deutsche Bundesbank	Industrial Production SA MoM	Jul	1.00%	0.80%	-1.00%
07-09	Germany	Bundesministerium fur Wirtscha	Industrial Production WDA YoY	Jul	5.70%	5.10%	5.40%
07-09	China	National Bureau of Statistics	Trade Balance	Aug	\$58.34b	\$53.20b	\$56.58b
07-09	China	National Bureau of Statistics	Exports YoY	Aug	25.60%	17.30%	19.30%
07-09	China	National Bureau of Statistics	Imports YoY	Aug	33.10%	26.90%	28.10%

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

## News

### Qatar

- **MARK to hold its EGM today** – Masraf Al Rayan (MARK) will be holding its Extraordinary General Meeting (EGM) virtually through Zoom platform today (September 08, 2021) at 4:30pm and on September 28, 2021 if the quorum is not reached in the first meeting. (Gulf-Times.com)
- **S&P Global: Qatar's sizeable external financing needs reflect banking sector funding profile** – Qatar's "sizeable" external financing needs reflect the funding profile of its banking sector, S&P Global said and noted GCC banks' performance should "improve" as higher oil prices support local economies. Stronger oil prices are a "key catalyst" for the region, S&P Global said. Improving price trends are "supportive" for operating conditions in most segments of the larger oil, gas, and commodities sectors – including contract renewals in oil field services, S&P Global said in a report yesterday. Hydrocarbon endowments are a "key differential" between GCC and North African sovereigns. Weak fiscal positions continue to weigh on North African countries, while GCC sovereign's accumulation of high levels of government assets supports both their fiscal and external positions. External imbalances remain a concern for Egypt. (Gulf-Times.com)
- **ORDS's Indonesian unit is said to weigh sale of Data Centers** – PT Indosat, the Indonesian wireless carrier unit of Qatar's Ooredoo (ORDS), is considering a sale of its data centers business amid consolidation in the industry, according to people familiar with the matter. The Jakarta-listed business is working with a financial adviser on the potential sale of the assets, which could fetch from \$150mn to \$200mn, the people said. The sale could draw potential interest from infrastructure investors and telecommunications companies, the people said, asking not to be identified as the information isn't public. Ooredoo has been in talks with CK Hutchison Holdings Ltd. to combine their Indonesian wireless phone businesses, a move that would consolidate Southeast Asia's biggest market in terms of subscribers. The firms agreed last month to extend exclusive negotiations until September 23. Telecommunications companies are seeking to sell assets that are not part of their core businesses, such as wireless towers and data centers, amid increasing interest from financial and infrastructure funds. A disposal of data centers by Indosat would follow its sale of more than 4,200 towers to Digital Colony, now known as DigitalBridge, earlier in the year in a \$750mn sale and leaseback deal. (Bloomberg)
- **BRES's Dukhan, Zekreet projects on-track** – Barwa Real Estate Group's (BRES) creative, full-fledged projects are on-track with urban development plans in Dukhan, Zekreet, it was announced on Tuesday. These projects will support the growth of the real estate sector and meet the actual needs of the real estate market. They include the development of necessary infrastructure and services, which enhance the status of the industrial, residential, and tourist areas. The Dukhan Housing and Dukhan Community Centre projects align with the strategic urban plan for the QP concession area in Dukhan since its inception. The development of the Dukhan Housing Project contributed to providing the area with about 1,860 different-sized housing units and villas, built as per international specifications that keep pace with the city's modernity and at the same time meet all the needs and aspirations of married and bachelor staff. The Dukhan Community Centre also contains all facilities that support the well-being of residents in the area. The centre houses sports facilities, such as a bowling alley, an electronic games area, an indoor gym, and a multi-purpose gym, as well as recreational and cultural facilities, café, and library. (Gulf-Times.com)
- **FocusEconomics: Qatar's economic activity gaining steam in 3Q2021** – Qatar's economic activity appears to be gaining steam in the third quarter of this year, thanks to the progressive easing of COVID-19 restrictions from late May amid a rapid vaccination campaign with the PMI marking an 11-month high in July, FocusEconomics has said in its monthly report. According to FocusEconomics Consensus Forecast-Middle East & North Africa for September report, Qatar's economy should return to growth this year as foreign demand strengthens and looser restrictions at home aid domestic activity. "Investment in the energy sector and easing tensions with Gulf neighbors should also provide support. However, the potential snapback of restrictions amid new variants of COVID-19 poses a downside risk," the report said. "After shrinking in annual terms in the first quarter of 2021, the economy's YoY performance likely improved in the second quarter on a favorable base effect. However, underlying momentum in the non-energy sector was constrained by tougher COVID-19 restrictions early in the quarter, as suggested by falling PMI readings in April and May," it said. Meanwhile, the report said, signs from the energy sector were mixed, with mining and quarrying output falling sharply in June after expansions in April and May. "In other news, Qatar and Saudi Arabia recently established a coordination council and Qatar appointed an ambassador to Saudi Arabia, pointing to the ongoing thawing of relations between the two nations following years of tensions," the report said. FocusEconomics panelists see a 2.7% rise in GDP in 2021, which is unchanged from last month's forecast, before growth of 3.9% in 2022. (Qatar Tribune)
- **Qatar's private sector exports up 56% in 1H, says chamber report** – The total value of Qatar's private sector exports stood at QR12.3bn in the first half of 2021, reflecting a 56% growth over QR7.9bn recorded in the same period last year, according to the chamber's economic newsletter for August. Data showed that Qatari non-oil exports have recovered from the negative impact of Covid-19 and registered a significant increase both MoM and QoQ. Private sector exports in 2Q2021 amounted to QR7.2bn or a 41% increase over to QR5.1bn in 1Q. In the first half of 2021, Oman topped the destinations of Qatari exports, receiving about QR2.58bn. In June, exports of the private sector amounted to QR2.53bn, showing a 1.4% drop compared to QR2.57bn in May. On the other hand, exports increased by 161% in June 2021 compared to QR973mn in the same period last year. This increase demonstrated that the private sector has reached the recovery phase and its exports have bypassed levels at the beginning of the pandemic. The increase in private sector exports in June compared to the same month last year is attributed to the increase in exports through all types of certificates except for the Unified Arab Model, which decreased by 26.4%. Exports through the Unified GCC model recorded a sharp increase of 319.4%, followed by a 185.7% growth under the General Model, and a 9.4% increase through the GSP model certificate. (Gulf-Times.com)
- **Moody's: Qatar stays away from Sukuk market in H1 on lower funding needs** – Qatar was the only country in the GCC with no Sukuk issuance during the first six months of the year, according to Moody's, a global credit rating agency. "Significantly lower funding needs this year compared to 2020 meant no sovereign sukuk issuance in the first half (1H)," Moody's said in a report. Meanwhile, strong liquidity in the interbank market prompted banks and corporates to raise funding from private and syndication markets, it said. The report

said Sukuk issuance in the GCC declined by 19% in the first half to \$35.3bn due to a significant drop in sovereign issuance, which was only partially offset by higher corporate volumes. Saudi Arabia remained the largest issuer in the GCC accounting for around 62% or \$22bn of the total volume (down from \$24.5bn in 1H2020). (Gulf-Times.com)

- **Properties worth QR1.7bn sold in Qatar in August –** Properties worth QR1.7bn were sold in Qatar in August, according to the Ministry of Justice's Real Estate Registration Department. The month saw 360 real estate transactions, with a 7% jump in the number of properties and 22% jump in traded space over the previous month. The municipalities of Doha, Al Rayyan and Al Daayen recorded the biggest transactions in August in terms of value. While Doha saw deals worth QR654.819mn, the values of transactions recorded in Al Rayyan and Al Daayen stood at QR468.234mn and QR280.206mn respectively. Deals worth QR136.2mn were registered in Al Wakra municipality, QR114.5mn in Umm Salal municipality and QR59.8mn in Al Khor and Al Thakhira municipality. (Qatar Tribune)
- **ValuStrat: Qatar visitor arrivals fall 82% YoY in 1H –** The pandemic-induced restrictions have had a toll on the number of arrivals into Qatar in the first half of 2021, which was down 82% YoY to 100,423 visitors, researcher ValuStrat said in a report. Asia provided the largest source of inbound tourist arrivals, it said. As per QNTC, visitor entries were restricted to events and necessary business activities in view of the pandemic. Year-to-date (YTD- 1H2021), average occupancy was estimated at 60%, up by 7% YoY indicating signs of recovery of the hospitality sector, ValuStrat said. YTD 1H2021, average ADR (QR386) and RevPAR (QR232) were up by 16% and 24% respectively, compared to same period in 2020. (Gulf-Times.com)
- **ValuStrat: Qatar expected to add 14,150 hotel keys in 2022 –** Qatar's hospitality sector is estimated to add 14,150 hotel keys till 2022, ValuStrat has said in its latest report. According to the report, 80% of the expected supply is designated under a 4 or 5-star rating. As per ValuStrat research, 1,558 keys were added during the first six months of 2021. Notable projects unveiled during the period were Hilton Salwa Beach Resort with 361 keys, Jouri Murwab Hotel with 134 rooms, Cielo Hotel Lusail with 70 keys, Bentley Luxury Hotel and Suites with 431 keys, Banyan Tree Doha at La Cigale Mushaireb with 126 rooms and 215 apartments and Marriot Executive Apartments City Centre with 254 apartments. Hyatt Residences West Bay was rebranded as Marriot Executive Apartments City Centre. Assuming no construction delays, the report said, the total supply could exceed 44,000 rooms by end of 2022. (Qatar Tribune)
- **ValuStrat: Leisure tourism will drive Qatar hospitality in medium term –** Leisure tourism is expected to drive the hospitality sector in Qatar as a pipeline of mixed-use projects are completed in the run up to the 2022 FIFA World Cup. The country was at an 'inflection point' prior to the COVID-19 pandemic, according to a report by ValuStrat, but like destinations globally, experienced a dip in foreign arrivals that continued into early 2021. However, an increase in domestic tourism in the country eased some of the burden of the fall in foreign visitors, ValuStrat said in its report, The Qatar Hospitality Market, 2019-2022. "Travel restrictions imposed during the pandemic have facilitated the growth of "staycations"," the report said. "This is corroborated by the fact that despite a 73% annual fall in international visitors in Qatar during 2020, occupancy of hotels merely reduced by 10% YoY, averaging at 54% by end of 2020." The report added: "Leisure tourism is projected to drive the hospitality sector in the medium term as travel restrictions

are lifted globally. Qatar has a pipeline of mixed-use projects of distinctive hotels, resorts, attractions and massive retail offerings which are expected to be a catalyst of the growth of demand for tourism." ValuStrat highlighted projects which include a water park with the world's highest water slide, and Place Vendome, a super-regional mall, projected to open by the end of 2021, which will feature a canal running to the sea. (Zawya)

- **Qatar Chamber-sponsored 'Merwad 6' to kick off on October 1 –** The sixth edition of the Merwad Exhibition is scheduled to kick off on October 1 at the Qatar National Convention Centre (QNCC), according to Qatar Chamber. The six-day expo, which is sponsored by Qatar Chamber and organized by Vouge Event Company, will display products and designs of 135 prominent designers from Qatar, alongside designers from other GCC countries, Lebanon, Turkey, and India. The expo will include 150 booths presenting a variety of abayas, dresses, and women's supplies and accessories. (Gulf-Times.com)
- **Shop Qatar, Qatar's biggest retail festival, to kick off on September 10 –** Qatar's biggest retail and entertainment festival, Shop Qatar, will take place from September 10 to October 10, 2021. Organized by Qatar Tourism, the month-long festival will be held under the theme "One Festival. Countless Experiences". In its fifth edition, the extravaganza will be the first major festival to take place in Qatar in 18 months as a result of the COVID-19 pandemic. As many as 15 venues across Qatar will offer up to 90% discount on a range of consumer goods, including clothes, electronics, cosmetics and accessories for men, women and children. (Qatar Tribune)
- **Al Baker lauds vaccine success as 'Shop Qatar' launched –** Qatar's high vaccination rate and falling infection rates have boosted the confidence of the public and government in opening up the country to more activities, Qatar Airways Group Chief Executive and Chairman Qatar Tourism HE Akbar Al Baker said as he announced the return of the month-long shopping and entertainment extravaganza 'Shop Qatar.' In its fifth edition, Shop Qatar will be the first major festival in Qatar in 18 months and will run from September 10 to October 10. This year's event will see 15 venues across Doha offer discounts of up to 90%. The event is going international for the first time with the participation of Qatar Duty Free at Hamad International Airport (HIA). "Qatar has been a leader in countries that have managed to really control the pandemic in a very strong and sustainable manner. We can also see that by the grace of God, our infection rates are dropping rapidly, our vaccination rates are among the highest in the world, and people are now confident likewise the authorities that we can open up the country for us to get back to normal life as soon as possible," Al Baker said. (Peninsula Qatar)

#### International

- **Halifax: UK house prices jump as market strength persists –** British house prices rose sharply last month in a further sign of strong momentum in the market even after the partial withdrawal of tax breaks on property purchases, a survey from mortgage lender Halifax showed on Tuesday. House prices rose by 0.7% in August, the biggest month-on-month rise for three months and following a 0.4% rise in July, Halifax said. In annual terms, house price growth cooled to 7.1% from 7.6% in July, the weakest reading for five months. The number of property purchases slumped in July when a year-long exemption from stamp duty for the first 500,000 pounds (\$687,550) of a house purchase ended in England and Northern Ireland. But other gauges of the housing market suggest the gradual expiry of the tax breaks has not resulted in a sharp slowdown. Last week, rival mortgage lender Nationwide said its measure of British

house prices rebounded surprisingly strongly in August to show their second-biggest monthly rise in 15 years after a fall in July. (Reuters)

- **Rebound in German factory output signals bottlenecks easing** – German industrial output rose more than expected in July after three monthly drops, data showed on Tuesday, in a sign that factories are partly overcoming supply bottlenecks which have been holding back a recovery in Europe's biggest economy. The Federal Statistics Office said industrial output, including construction and energy, increased by 1.0% on the month after a revised decline of -1.0% in June. A Reuters poll had pointed to a rise of 0.9%. Output in manufacturing alone jumped by 1.3% as factories churned out more capital and consumer goods. Construction output rose 1.1% while production in the energy sector fell 3.2%. "After the decline in industrial production in the second quarter, the third quarter got off to a friendly start," the economy ministry said. The mighty automobile industry increased its output by 1.9% and the equally important machinery and engineering sector hiked production by 6.9%, the ministry said. "Even if the supply bottlenecks with semiconductors, which have slowed down production, are likely to persist for a while, the output figures suggest that industry could have overcome its low point," the ministry added. Many investors are still worried that supply shortages could hamper industrial output in the coming months. (Reuters)
- **ZEW: German investor morale falls as shortages hold back recovery** – Investor sentiment in Germany deteriorated for the fourth month in a row in September as investors expect raw material scarcity and chip shortages to slow the recovery in Europe's largest economy, a survey showed on Tuesday. The ZEW economic research institute said its survey of investors' economic sentiment fell to 26.5 from 40.4 points in August. A Reuters poll had forecast a fall to 30.0. "Market experts expect the economic situation to improve. Yet the scope and dynamics of the recovery have been significantly reduced," ZEW President Achim Wambach said in a statement. "Chip shortages in the automotive sector and scarcity of resources in construction have significantly impacted expectations in those sectors." A separate ZEW gauge of current conditions rose to 31.9 from 29.3 in August. That compared with a consensus forecast for 34.0 points. (Reuters)
- **Japan upgrades 2Q GDP on stronger business spending** – Japan's economy grew faster than the initially estimated in the April-June quarter, helped by solid capital expenditure, although a resurgence in COVID-19 is undermining service-sector consumption and clouding the outlook. Revised GDP data by the Cabinet Office released on Wednesday showed the economy grew an annualized 1.9% in April-June, beating economists' median forecast for a 1.6% gain and the initial estimate of a 1.3% expansion. It followed Prime Minister Yoshihide Suga's announcement last Friday that he was stepping down, paving the way for the September 29 ruling party leadership race, in which contenders will outline their plans to revive the world's third-largest economy. The upward revision was caused by better-than-initially-estimated business spending, as a brisk global economic recovery powered capital expenditure and factory output, which more than offset weak service-sector activity. Still, Japan's economic recovery remains fragile due to slow COVID-19 vaccinations and as pandemic restrictions hamper private-sector activity, some analysts say. (Reuters)
- **Japan's tepid July household spending adds to economic recovery doubts** – Japan's household spending grew less than expected in July as a resurgence in COVID-19 cases hindered consumer activity, throwing broader economic recovery

prospects into doubt. The world's third-largest economy is struggling to shake off the impact of the coronavirus pandemic, which forced the government to impose new state of emergency restrictions that now cover about 80% of the population. Household spending rose 0.7% YoY in July, after a revised 4.3% fall in June, government data showed on Tuesday. The modest rise, which partly reflects a sharp contraction in July 2020 as consumers delayed spending amid the initial pandemic shock, was weaker than a median market forecast for a 2.9% gain in a Reuters poll. The MoM figures showed a 0.9% contraction in July, the third straight month of decline, the government data showed, dashing expectations for 1.1% growth. "Face-to-face leisure services stayed weaker with worsening COVID-19 infections and the reinstatement of state of emergency curbs in Tokyo," said Masato Koike, an economist at Dai-ichi Life Research Institute. "Going forward, the tug-of-war between worsening infections and vaccination will keep services spending volatile." Takumi Tsunoda, senior economist at Shinkin Central Bank Research Institute, said continued infections could have dragged private consumption even lower in August. Spending on food, leisure and transportation rose year-on-year while spending on consumer electronics, utility payments and face masks fell. Separate data on Tuesday showed inflation-adjusted real wages in July rose 0.7% from the same month a year earlier, though the gain was also because of a flattered comparison with last year's steep pandemic-driven drop. Other government data on Tuesday showed the coincident indicator index, which consists of various economic indicators, fell 0.1 point from the previous month to 94.5 in July as semiconductor supply woes and COVID-19 outbreak in other parts of Asia hit Japan's factory output and exports. These mixed results were unlikely to dispel worries that Japan's economy is at risk of slowing down in the third quarter, as explosive growth in COVID-19 cases at home and in other parts of Asia weighs on consumer and corporate activity. (Reuters)

- **China's August exports growth unexpectedly picks up speed in boost to economy** – China's exports unexpectedly grew at a faster pace in August thanks to solid global demand, helping take some of the pressure off the world's second-biggest economy as it navigates its way through headwinds from several fronts. China staged an impressive recovery from a coronavirus-battered slump, but economic momentum has weakened recently due to the Delta variant-driven COVID-19 outbreaks, high raw material prices, slowing exports, tighter measures to tame hot property prices and a campaign to reduce carbon emissions. Shipments from the world's biggest exporter in August rose at a faster-than-expected rate of 25.6% from a year earlier, from a 19.3% gain in July, pointing to some resilience in China's industrial sector. Analysts polled by Reuters had forecast growth of 17.1%. "August exports showed that despite a higher base for comparison from last year, the ongoing global recovery will not be impeded, and the impact from the resurgence in the COVID-19 pandemic remains limited," said Ji Chunhua, Senior Vice President of Research at Zhongtai International. Export growth of machineries and hi-tech products stayed high in August, Ji said. Exports from neighboring countries also showed encouraging growth last month, with South Korean shipments accelerating on strong overseas demand. Some of the port gridlock also appears to have cleared in a boost to China's shippers last month. The eastern coastal ports have suffered congestion as a terminal at the country's second biggest container port shut down for two weeks due to a COVID-19 case. That put further pressure on global supply chains already struggling with a shortage of container vessels and high raw material prices. However, behind the robust headline figures, businesses are struggling on the ground. Companies faced increasing pressure here in

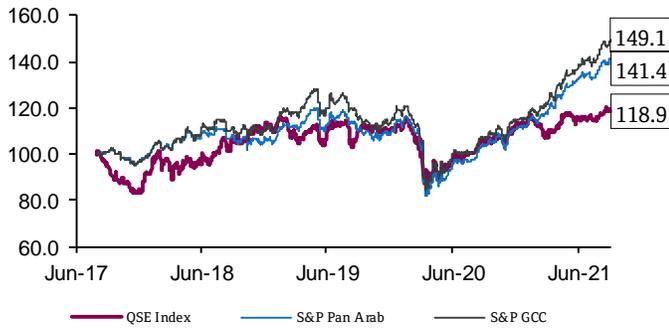
August as factory activity expanded at a slower pace while the services sector slumped into contraction. A global semiconductor shortage has added to the strains on exporters. Imports increased 33.1% YoY in August, beating an expected 26.8% gain in the Reuters poll, buoyed by still high prices. That compared with 28.1% growth in the previous month. China posted a trade surplus of \$58.34bn in August, versus the poll's forecast for a \$51.05bn surplus and \$56.58bn in July. (Reuters)

## Regional

- **Moody's: Sukuk issuance to stop growing for first time in five years** – Global sukuk issuance will be flat or slightly lower this year after five straight years of strong growth as higher crude prices have reduced oil-rich Gulf governments' financing needs, Moody's said on Tuesday. The expected volume is despite issuance increasing in the first half of the year by 3% to \$102bn, driven by sales from Malaysia and Indonesia. Issuance volume in Southeast Asia, which made up more than half of total issuance in the first half, increased 22% while in the Gulf it declined 19%. "Reduced issuance from GCC (Gulf Cooperation Council) governments was partly offset by stronger activity in the corporate sector," Moody's said. Moody's sees total sukuk issuance this year between \$190bn and \$200bn from a record \$205bn last year, as continued large financing needs in Malaysia and Indonesia will drive strong issuance from that region. (Reuters)
- **GCC food demand to reach 52.4mn metric tons by 2025** – GCC food demand will see a compound annual growth rate (CAGR) of 2.3% to reach 52.4mn metric tons (MT) by 2025, up from 46.8mn in 2020, according to a new report by Alpen Capital. As demand increases, the food industry is also adapting to changing tastes, with increasing consumption of vegetables. There is increasing demand for organic packaged foods as well as protein and dairy alternatives, as the younger generation focuses more on ethical concerns and the carbon footprint of food, a webinar for the launch of Alpen Capital's GCC Food Industry report heard. The UAE and Saudi Arabia account for 75% of the GCC's food consumption and demand for specific sectors is growing, said Sanjay Bhatia, managing director of Alpen Capital. (Zawya)
- **Saudi sovereign wealth fund offers to buy 60% stake in Zain Saudi's towers** – The Public Investment Fund, Saudi Arabia's sovereign fund, has made a non-binding offer to buy a 60% stake in the towers of Kuwaiti-backed Zain KSA, while two other investors offered to buy another 20% stake, valuing the towers at \$807mn, Zain said on Tuesday. Zain KSA, which will keep a 20% stake, plans to sell its passive, physical towers infrastructure and retain all other wireless communication antennas, software, technology, and IPs, it said in a statement. The other two investors offering to buy a 10% stake each are Prince Saud Bin Fahad, and Sultan Holding Company, it said. (Reuters)
- **IFR: Saudi Arabia's PIF hires banks to advise on ESG** – Saudi Arabia's sovereign wealth fund, the Public Investment Fund (PIF), has hired five international banks as members of an environmental, governance and social (ESG) panel for its medium-term capital-raising strategy, IFR News reported on Monday. Sources told Reuters in July that PIF sent banks a request for proposals to help it set up an ESG framework that would allow it to expand its funding base by attracting ESG-focused investors. The hydrocarbon-rich Gulf has seen a surge of interest in ESG-related initiatives and deals amid growing awareness among global investors about ESG risks. (Reuters)
- **Saudi's Zain KSA board approves offers for stakes in towers from PIF, others** – The board of directors of Mobile Telecommunications Co. Saudi Arabia, also known as Zain KSA has approved non-binding offers from the Public Investment Fund (PIF), Prince Saud Bin Fahad, and Sultan Holding Company, to acquire stakes in the Zain KSA's telecom towers infrastructure. The three entities would acquire stakes of 60%, 10% and 10%, respectively, with Zain KSA holding the remaining 20%, the telecoms company said in a statement to the Saudi bourse Tadawul, where its shares trade. The offers valued the 8,069 Zain KSA towers at SR3,026mn. Under the terms of the offers, Zain KSA will sell its passive, physical towers infrastructure and retain all other wireless communication antennas, software, technology, and IPs. (Zawya)
- **Saudi Aramco expands industrial investment program** – The oil producer signs 22 new MoUs and one JV agreement with global companies. Targets value creation opportunities in sustainability, technology, industrial and energy services, and advanced materials MoU signed with Solvay, DHL Supply Chain, Veolia, Air Liquide, Haliburton, PIF, Baker Hughes, Linde, Schlumberger, AIC Steel, GSW, McDermott, Seyang, Sendan, Narmel, Samsung Engineering, Hyundai, Saipem, Elion, Green Groves, Honeywell, Gulf Modular Industry, Armorock, Shell AMG Recycling, United Company for Industry, Aveva, Baosteel. (Bloomberg)
- **First Abu Dhabi is said to start sale of \$1bn payments arm** – First Abu Dhabi Bank has kicked off the sale of a stake in its payments business Magnati, in a potential deal that could value the unit at about \$1bn, people familiar with the matter said. The banking group is working with Morgan Stanley to reach out to potential investors, according to the people, who asked not to be identified because the information is private. The sale could attract interest from companies in the financial industry as well as private equity firms, the people said. FAB is considering keeping a stake in Magnati after any deal, the people said. Deliberations are ongoing, and no final decisions on the scope of the potential disposal have been taken, according to the people. (Bloomberg)
- **Saudi Wealth Fund Makes \$484mn Bid for Mobile Towers** – Saudi Arabia's sovereign wealth fund has made a \$484mn bid for a controlling stake in the mobile phone towers unit of the kingdom's second-largest telecom company. The Public Investment Fund offered to buy a 60% stake in Zain Saudi's towers infrastructure in a deal that would value the unit at SR3bn. It also received bids from Prince Saud Bin Fahad and Sultan Holding Co. to acquire an additional 10% stake each. Mobile Telecommunications Co. Saudi Arabia, as Zain Saudi is formally known, would own the remaining 20%. "The agreement would result in unlocking cash invested in the fixed assets of the company, and this liquidity may be used to pay down debt which would reduce financial charges," said Muhammad Faisal Potrik, head of research at Riyadh Capital. There would be a corresponding rise in annual lease payments for these towers, but the net impact is expected to be "positive" for Zain Saudi, he said. (Bloomberg)
- **UAE's Etisalat secures approvals to raise foreign ownership limit to 49%** – Emirates Telecommunications Group (Etisalat) has obtained the necessary approvals to allow foreigners to own 49% of the telecom giant's share capital, the company confirmed on Tuesday. With the approvals secured, the plan to increase the foreign ownership limit in their stocks to 49% "has come into effect", the telecoms firm said in a bourse filing to the Abu Dhabi Securities Exchange (ADX). Etisalat, as well as Emirates Integrated Telecommunications Company (Du), announced early this year their plans to increase the foreign shareholding limits. Etisalat had said that the move would require approvals, including changes to the company's Articles of Association. (Zawya)

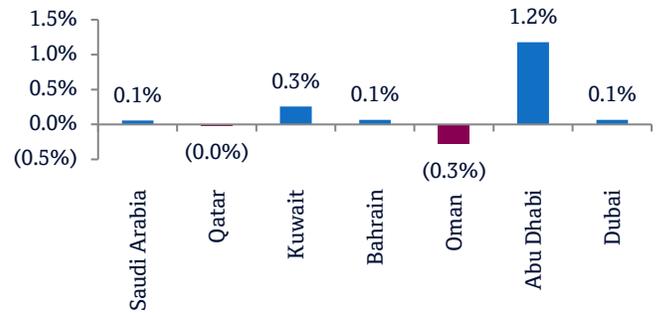
- UAE GulfTainer's subsidiary announces \$50mn expansion plan in Saudi** – UAE-based GulfTainer's subsidiary in Saudi Arabia, Gulf Stevedoring Contracting Company (GSCCO), unveiled on Tuesday a major expansion plan worth \$50mn. The initiative, which includes installation of new equipment and "additional assets", is expected to further improve the handling capacity of Jubail Commercial Port (JCP) on Saudi Arabia's east coast. "These improvements are projected to contribute to Jubail's GDP by more than \$100mn," a statement said. "The recent initiative is in line with the National Ports and Logistic Development Program and the Saudi 2030 Vision's third pillar covering container and general cargo ports, ro-ro operations, logistics and bonded re-export zones." (Zawya)
- Dubai's Aramex splits core businesses as part of reshuffle** – Dubai-listed courier Aramex (ARMX.DU) said on Tuesday it had split its core businesses as part of a reshuffle aimed at capturing growth in the post-COVID-19 transportation and logistics industry. The company, in which Abu Dhabi-backed investor ADQ last year bought a 22.25% stake, has set up Aramex Express, which will offer deliveries between businesses and consumers, and Aramex Logistics, in charge of business-to-business operations, it said in a statement. It has appointed Mohammad Alkhas as Chief Operating Officer (COO) for Aramex Logistics and Alaa Saoudi as COO for Aramex Express. (Reuters)
- Dubai villa, apartment sales hit 4-year high at \$4bn in August** – Home buyers in Dubai spent a total of AED14.97bn in August 2021, the highest since January 2017, Property Finder reported on Tuesday. Last month also recorded a total of 5,780 deals, making August the best month for the property market in the past 12 years, in terms of transaction volume. The latest figures indicate that sentiments in the market, which hit a snag at the start of the pandemic last year, is back up, according to Lynnette Sacchetto, director of research and data at Property Finder. "These figures are a true testament to the strength of Dubai, particularly the residential market. Consumer and investor sentiments are up, which shows the confidence of people, including foreign direct investment into Dubai," Sacchetto said. (Zawya)
- Source: First Abu Dhabi Bank's corporate Finance Head to leave** – First Abu Dhabi Bank's Head of Corporate Finance, Andy Cairns, is leaving UAE biggest lender, a source close to the matter said. Cairns, a senior managing director at FAB, had been with the group for eight years. It was not immediately clear why he is leaving the bank. FAB saw a leadership change earlier this year when Hana al-Rostamani became the bank's first female Chief Executive, replacing banking veteran Andre Sayegh who retired. It has emerged as a major player in the loans and bonds market in the Middle East and North Africa (MENA) and has been involved in major regional transactions. (Reuters)
- Mubadala Petroleum, Eni team up on energy transition** – Italy's Eni has teamed up with Mubadala Petroleum to look at joint investments in the energy transition field as part of plans to cut carbon footprints. In statements on Tuesday, the two groups said they had signed a memorandum of understanding (MoU) to cooperate in areas like hydrogen and carbon capture in the Middle East, North Africa, South East Asia, Europe and other regions of mutual interest. Mubadala Petroleum, owned by Abu Dhabi sovereign wealth fund Mubadala Investment Company, said the agreement was part of its "proactive approach to Environmental, Social & Governance (ESG) considerations and its energy transition goals". (Reuters)
- ADQ plans to list Abu Dhabi ports on local bourse this year** – Sovereign wealth fund ADQ plans to list Abu Dhabi Ports on the emirate's exchange before the end of the year, the latest in a series of planned share sales on the bourse. The listing on Abu Dhabi Securities Exchange is expected to comprise a sale of a portion of existing shares to investors in the United Arab Emirates, according to a statement on Tuesday. Abu Dhabi is set to list its ports operator a year after neighboring Dubai took DP World private, one of several delisting from the local bourse. (Bloomberg)
- ECM Watch: Abu Dhabi Vies with Riyadh as large listings pour in** – Abu Dhabi is catching up to regional leader Saudi Arabia in the race for stock-market listings thanks to a clutch of offerings that are set to raise billions of dollars, a sign the emirate's efforts to boost its local exchange are paying off. Satellite operator Yahsat kicked off the initial public offering frenzy in July, becoming the first listing on the exchange in nearly four years. On Monday, Abu Dhabi National Oil Co. said it's planning to sell shares in its drilling unit in what would rank among the largest IPOs in the UAE. A day later, sovereign wealth fund ADQ announced plans to list Abu Dhabi Ports before the end of the year. Others including Emirates Global Aluminum and Adnoc's fertilizer joint venture Fertiglobe are also weighing going public in Abu Dhabi, Bloomberg News has reported. (Bloomberg)
- Document: National Bank of Kuwait hires banks for dollar senior bonds** – National Bank of Kuwait, the Gulf country's largest lender, has hired banks to arrange the sale of US dollar-denominated six-year bonds that will be non-callable for five years, a bank document showed on Tuesday. Citi, JPMorgan and NBK Capital have been mandated as joint global coordinators. Those banks and BofA Securities, Goldman Sachs International, HSBC, MUFG and Standard Chartered will act as joint lead managers and bookrunners, the document from one of the banks showed. They will arrange investor calls starting on Tuesday, to be followed by a benchmark issuance of senior unsecured paper, subject to market conditions. Benchmark size typically means at least \$500mn. (Reuters)
- Gulf Insurance Group completes buyout of AXA's Gulf region business** – Gulf Insurance Group (GIG) has completed the acquisition of global insurer AXA's holdings in the Gulf region. The transaction involves AXA's 50% stake in AXA Gulf (which operates in Bahrain, the UAE, Oman and Qatar) and a 34% stake in AXA Cooperative Insurance Company (Saudi Arabia). The deal was valued at US\$264mn (SG\$355 mn). AXA Gulf will be rebranded as GIG Gulf and will hold 50% ownership in the Saudi Arabian entity. As part of the transaction, GIG also acquired Yousuf Bin Ahmed Kanoo Group of Companies' (YBA Kanoo) shareholding in AXA Gulf. The purchase significantly expands GIG's insurance portfolio, giving it access to two new markets in Oman and Qatar and reinforcing its operations in Bahrain, the UAE and Saudi Arabia. (Bloomberg)
- Bahrain's cashless transactions reached \$3.62bn in 1H2021** – Cashless transactions in Bahrain surged by 50% YoY to \$744mn in August after reaching nearly \$4bn in the first half of the year, the country's central bank said on Tuesday. The total number of payments made online and through point-of-sale (POS) machines reached 11.3mn during the month, up by 65% compared to the same period last year. The first half of the year saw a total of 53mn cashless payments valued at \$3.62bn, posting a 45.6% growth rate over the \$2.4bn worth of transactions recorded in the same period last year, according to the central bank. (Zawya)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,794.36	(1.6)	(1.8)	(5.5)
Silver/Ounce	24.32	(1.5)	(1.6)	(7.9)
Crude Oil (Brent)/Barrel (FM Future)	71.69	(0.7)	(1.3)	38.4
Crude Oil (WTI)/Barrel (FM Future)	68.35	(1.4)	(1.4)	40.9
Natural Gas (Henry Hub)/MMBtu	4.68	(0.6)	(0.6)	95.8
LPG Propane (Arab Gulf)/Ton	118.75	(0.5)	(0.5)	57.8
LPG Butane (Arab Gulf)/Ton	142.25	(2.1)	(2.1)	89.7
Euro	1.18	(0.3)	(0.3)	(3.1)
Yen	110.28	0.4	0.5	6.8
GBP	1.38	(0.4)	(0.6)	0.8
CHF	1.09	(0.5)	(0.6)	(3.8)
AUD	0.74	(0.7)	(1.0)	(4.0)
USD Index	92.51	0.5	0.5	2.9
RUB	73.29	0.4	0.8	(1.5)
BRL	0.19	0.0	0.4	0.5

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,158.94	(0.3)	(0.2)	17.4
DJ Industrial	35,100.00	(0.8)	(0.8)	14.7
S&P 500	4,520.03	(0.3)	(0.3)	20.3
NASDAQ 100	15,374.33	0.1	0.1	19.3
STOXX 600	472.87	(0.7)	(0.2)	14.8
DAX	15,843.09	(0.8)	0.0	11.3
FTSE 100	7,149.37	(0.8)	(0.5)	11.8
CAC 40	6,726.07	(0.5)	0.2	17.4
Nikkei	29,916.14	0.5	2.2	2.1
MSCI EM	1,325.65	0.1	0.7	2.7
SHANGHAI SE Composite	3,676.59	1.4	2.5	6.9
HANG SENG	26,353.63	0.7	1.7	(3.5)
BSE SENSEX	58,279.48	(0.5)	(0.3)	21.4
Bovespa	117,868.60	-	1.0	(0.9)
RTS	1,723.91	(0.8)	(0.6)	24.2

Source: Bloomberg (\*\$ adjusted returns)

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