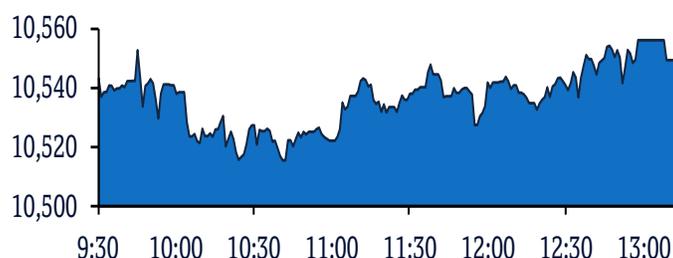


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.4% to close at 10,549.8. Gains were led by the Telecoms and Industrials indices, gaining 0.9% and 0.6%, respectively. Top gainers were Ooredoo and Investment Holding Group, rising 1.8% and 1.7%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 2.8%, while Islamic Holding Group was down 2.0%.

GCC Commentary

Saudi Arabia: The TASI Index fell 0.1% to close at 8,785.7. Losses were led by the Software & Services and Insurance indices, falling 1.9% and 1.5%, respectively. Al Sorayai Trading and Ind. declined 9.9%, while Saudi Arabia Ref. was down 6.2%.

Dubai: The DFM Index gained 0.8% to close at 2,855.7. The Real Estate & Construction index rose 1.6%, while the Transportation index gained 1.0%. Al Salam Sudan rose 10.4%, while Dubai Financial Market was up 7.6%.

Abu Dhabi: The ADX General Index gained 0.2% to close at 5,357.0. The Consumer Staples and Energy indices rose 8.6% and 3.1% respectively. International Holdings Company rose 15.0%, while Ooredoo was up 7.8%.

Kuwait: The Kuwait All Share Index gained 0.4% to close at 6,047.2. The Industrials index rose 1.0%, while the Financial Services index gained 0.5%. Kuwait Remal Real Estate Company rose 19.2%, while United Projects for Aviation was up 10.8%.

Oman: The MSM 30 Index gained marginally to close at 3,765.1. However, all indices ended in red. Oman Investment and Finance rose 5.2%, while Oman and Emirates Inv. Holding was up 4.1%.

Bahrain: The BHB Index fell 0.4% to close at 1,515.7. The Commercial Banks index declined 0.9%, while the Services index fell 0.1%. Khaleeji Commercial Bank declined 9.7%, while Esterad Investment Company was down 4.6%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Ooredoo	6.95	1.8	292.2	(7.3)
Investment Holding Group	0.58	1.7	1,391.3	19.0
Industries Qatar	11.20	1.1	488.6	(16.2)
Qatar Fuel Company	21.41	1.0	212.5	29.0
Barwa Real Estate Company	3.56	0.8	1,285.2	(10.8)

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Mesaieed Petrochemical Holding	2.62	0.8	12,092.2	74.3
Aamal Company	0.80	0.4	5,182.9	(9.8)
Qatar Gas Transport Company Ltd.	2.39	(0.4)	4,515.8	33.3
Qatar First Bank	0.40	0.0	4,465.3	(1.0)
Masraf Al Rayan	3.90	0.5	4,035.8	(6.4)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,549.75	0.4	0.4	0.9	2.4	48.06	159,317.7	15.0	1.6	4.1
Dubai	2,855.74	0.8	3.4	7.4	12.9	104.40	100,979.4	11.6	1.0	4.3
Abu Dhabi	5,357.01	0.2	2.7	7.6	9.0	62.55	147,836.8	15.8	1.6	4.6
Saudi Arabia	8,785.74	(0.1)	(2.7)	(0.4)	12.3	682.16	551,847.0	20.1	2.0	3.4
Kuwait	6,047.15	0.4	(1.3)	3.7	19.0	74.84	112,946.6	14.8	1.5	3.5
Oman	3,765.06	0.0	0.5	(3.1)	(12.9)	5.01	16,593.4	7.2	0.8	7.3
Bahrain	1,515.70	(0.4)	(1.4)	3.0	13.3	5.71	23,680.7	10.9	1.0	5.0

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

Market Indicators	24 July 19	23 July 19	%Chg.
Value Traded (QR mn)	175.9	161.8	8.7
Exch. Market Cap. (QR mn)	579,969.7	577,431.8	0.4
Volume (mn)	55.8	51.0	9.4
Number of Transactions	3,550	4,057	(12.5)
Companies Traded	44	45	(2.2)
Market Breadth	18:21	12:22	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,412.43	0.4	0.4	7.0	15.0
All Share Index	3,114.37	0.3	0.3	1.1	15.2
Banks	4,098.03	0.3	0.1	7.0	14.4
Industrials	3,171.07	0.6	0.4	(1.4)	16.3
Transportation	2,611.50	(0.9)	0.5	26.8	16.6
Real Estate	1,541.92	0.2	0.2	(29.5)	14.4
Insurance	3,158.85	0.2	1.1	5.0	18.2
Telecoms	936.94	0.9	(0.2)	(5.1)	19.2
Consumer	8,196.58	0.6	1.1	21.4	15.8
Al Rayan Islamic Index	4,063.27	0.3	0.6	4.6	14.1

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
DAMAC Properties	Dubai	0.99	5.9	34,121.6	(34.4)
Emaar Malls	Dubai	2.13	3.4	13,562.0	19.0
GFH Financial Group	Dubai	0.93	3.3	43,412.3	3.4
Saudi Electricity Co.	Saudi Arabia	19.90	2.1	1,802.8	31.4
Saudi British Bank	Saudi Arabia	41.10	2.0	609.8	25.9

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Co. for Cooperative Ins.	Saudi Arabia	72.10	(3.5)	150.5	19.6
Riyad Bank	Saudi Arabia	26.30	(3.1)	2,498.5	32.7
Saudi Cement Co.	Saudi Arabia	75.10	(2.5)	130.9	54.7
Bupa Arabia for Coop. Ins.	Saudi Arabia	104.80	(1.7)	73.7	29.4
Mouwassat Med. Services	Saudi Arabia	88.50	(1.7)	73.6	9.9

Source: Bloomberg (# in Local Currency) (** GCC Top gainers/losers derived from the S&P GCC Composite Large Mid Cap Index)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar General Ins. & Reins. Co.	3.79	(2.8)	44.0	(15.6)
Islamic Holding Group	2.45	(2.0)	214.6	12.1
Gulf Warehousing Company	4.97	(2.0)	597.9	29.2
Qatar Navigation	6.60	(1.5)	267.0	(0.0)
Qatari German Co for Med. Dev.	0.73	(1.2)	803.0	29.7

QSE Top Value Trades	Close*	1D%	Vol. '000	YTD%
QNB Group	19.35	0.7	41,827.8	(0.8)
Mesaieed Petrochemical Holding	2.62	0.8	31,538.8	74.3
Masraf Al Rayan	3.90	0.5	15,729.5	(6.4)
Qatar Gas Transport Company	2.39	(0.4)	10,785.9	33.3
The Commercial Bank	4.60	(0.9)	8,739.0	16.8

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index rose 0.4% to close at 10,549.8. The Telecoms and Industrials indices led the gains. The index rose on the back of buying support from GCC and non-Qatari shareholders despite selling pressure from Qatari shareholders.
- Ooredoo and Investment Holding Group were the top gainers, rising 1.8% and 1.7%, respectively. Among the top losers, Qatar General Insurance & Reinsurance Company fell 2.8%, while Islamic Holding Group was down 2.0%.
- Volume of shares traded on Wednesday rose by 9.4% to 55.8mn from 51.0mn on Tuesday. However, as compared to the 30-day moving average of 73.2mn, volume for the day was 23.8% lower. Mesaieed Petrochemical Holding Company and Aamal Company were the most active stocks, contributing 21.7% and 9.3% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	18.95%	36.35%	(30,617,862.58)
Qatari Institutions	31.86%	40.32%	(14,887,072.36)
Qatari	50.81%	76.67%	(45,504,934.94)
GCC Individuals	1.93%	2.33%	(704,207.84)
GCC Institutions	2.68%	0.58%	3,707,942.64
GCC	4.61%	2.91%	3,003,734.80
Non-Qatari Individuals	5.05%	6.99%	(3,408,135.70)
Non-Qatari Institutions	39.53%	13.43%	45,909,335.84
Non-Qatari	44.58%	20.42%	42,501,200.14

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

Ratings, Earnings Releases, Global Economic Data and Earnings Calendar

Ratings Updates

Company	Agency	Market	Type*	Old Rating	New Rating	Rating Change	Outlook	Outlook Change
Qatar Insurance Company	S&P	Qatar	ICR/FSR	A/A	A/A	-	Stable	-
Alinma Bank	Fitch	Saudi Arabia	LT-IDR/VR/SRF	BBB+/bbb/BBB+	BBB+/bbb/BBB+	-	Stable	-
Oman Insurance Co.	S&P	Dubai	LT-IDR/IFSR	A-/A-	A-/A-	-	Stable	-

Source: News reports, Bloomberg (* LT – Long Term, ST – Short Term, IFSR – Insurance Financial Strength Rating, IDR – Issuer Default Rating, ICR – Issuer Credit Rating, FSR – Financial Strength Rating)

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2019	% Change YoY	Operating Profit (mn) 2Q2019	% Change YoY	Net Profit (mn) 2Q2019	% Change YoY
Sahara International Petrochem. Co.	Saudi Arabia	SR	1,409.4	-4.4%	320.4	-21.9%	210.9	-0.2%
Saudi Automotive Services Co.	Saudi Arabia	SR	593.0	13.5%	11.5	60.8%	5.1	-44.4%
ASharqiyah Development Co.	Saudi Arabia	SR	-	-	-0.7	N/A	-0.7	N/A
Tabuk Cement Co.	Saudi Arabia	SR	61.2	48.2%	11.1	N/A	9.0	N/A
Saudi Industrial Development Co.	Saudi Arabia	SR	53.9	5.5%	-3.0	N/A	-1.7	N/A
Takaful Emarat Insurance	Dubai	AED	106.2	18.4%	-	-	1.2	242.2%
Takaful International Company	Bahrain	BHD	-	-	-	-	0.4	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB.

Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
07/24	US	Mortgage Bankers Association	MBA Mortgage Applications	19-July	-1.9%	-	-1.1%
07/24	US	Markit	Markit US Manufacturing PMI	July	50.0	51.0	50.6
07/24	US	Markit	Markit US Services PMI	July	52.2	51.8	51.5
07/24	US	Markit	Markit US Composite PMI	July	51.6	-	51.5
07/24	EU	Markit	Markit Eurozone Manufacturing PMI	July	46.4	47.7	47.6
07/24	EU	Markit	Markit Eurozone Services PMI	July	53.3	53.3	53.6
07/24	EU	Markit	Markit Eurozone Composite PMI	July	51.5	52.2	52.2
07/24	Germany	Markit	Markit/BME Germany Manufacturing PMI	July	43.1	45.2	45.0
07/24	Germany	Markit	Markit Germany Services PMI	July	55.4	55.3	55.8
07/24	Germany	Markit	Markit/BME Germany Composite PMI	July	51.4	52.4	52.6
07/24	France	Markit	Markit France Manufacturing PMI	July	50.0	51.6	51.9
07/24	France	Markit	Markit France Services PMI	July	52.2	52.8	52.9
07/24	France	Markit	Markit France Composite PMI	July	51.7	52.5	52.7

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 2Q2019 results	No. of days remaining	Status
QAMC	Qatar Aluminum Manufacturing Company	25-Jul-19	0	Due
AKHI	Al Khaleej Takaful Insurance Company	25-Jul-19	0	Due
QIMD	Qatar Industrial Manufacturing Company	25-Jul-19	0	Due
QFBQ	Qatar First Bank	28-Jul-19	3	Due
QCFS	Qatar Cinema & Film Distribution Company	29-Jul-19	4	Due
QNNS	Qatar Navigation (Milaha)	29-Jul-19	4	Due
VFQS	Vodafone Qatar	29-Jul-19	4	Due
ORDS	Ooredoo	29-Jul-19	4	Due
QATI	Qatar Insurance Company	30-Jul-19	5	Due
AHCS	Aamal Company	30-Jul-19	5	Due
DBIS	Dlala Brokerage & Investment Holding Company	30-Jul-19	5	Due
MRDS	Mazaya Qatar Real Estate Development	31-Jul-19	6	Due
DOHI	Doha Insurance Group	31-Jul-19	6	Due
QNCD	Qatar National Cement Company	1-Aug-19	7	Due
IQCD	Industries Qatar	1-Aug-19	7	Due
IGRD	Investment Holding Group	4-Aug-19	10	Due
GISS	Gulf International Services	4-Aug-19	10	Due
QISI	Qatar Islamic Insurance Company	4-Aug-19	10	Due
BRES	Barwa Real Estate Company	5-Aug-19	11	Due
SIIS	Salam International Investment Limited	5-Aug-19	11	Due
MPHC	Mesaieed Petrochemical Holding Company	5-Aug-19	11	Due
ZHCD	Zad Holding Company	5-Aug-19	11	Due
QOIS	Qatar Oman Investment Company	5-Aug-19	11	Due
MCCS	Mannai Corporation	6-Aug-19	12	Due
MERS	Al Meera Consumer Goods Company	6-Aug-19	12	Due

Source: QSE

News

Qatar

- DHBK posts 136.3% YoY increase but 31.3% QoQ decline in net profit in 2Q2019, misses our estimate** – Doha Bank's (DHBK) net profit rose 136.3% YoY (but declined 31.3% on QoQ basis) to QR211.1mn in 2Q2019, missing our estimate of QR273.0mn (variation of -22.7%). Net interest income decreased 10.1% YoY and 4.8% QoQ in 2Q2019 to QR469.2mn. The company's net operating income came in at QR656.0mn in 2Q2019, which represents a decrease of 1.6% YoY. However, on QoQ basis, net operating income rose 3.2%. The bank's total assets stood at QR100.8bn at the end of June 30, 2019, up 13.1% YoY (+4.6% QoQ). Loans and advances to customers were QR60.9bn, registering an increase of 5.1% YoY (+3.8% QoQ) at the end of June 30, 2019. Customer deposits rose 7.2% YoY and 2.1% QoQ to reach QR55.6bn at the end of June 30, 2019. In 1H2019, DHBK has posted a half yearly net profit of QR518.6mn, up 10.2% on QR470.7mn registered in 1H2018. DHBK's Chairman, Sheikh Fahad bin Mohamed bin Jabor Al-Thani said the bank has made "significant progress in improving the cost management and efficient utilization of resources" where the operating cost for the period decreased by 8.2% as compared to same period last year thus reducing the cost to income ratio to 35.5% from 36.6% showing bank's productive operational performance. Sheikh Fahad pointed out that the total financial investment portfolio increased by QR5.5bn, showing a significant growth of 27.7% as compared to the same period of the last year. Sheikh Fahad highlighted that the achieved half yearly profit of QR519mn as against QR471mn in the same period last year was

due to "robust" growth on investment income and control on operating expenses. This was done as the bank focus was on strengthening the provisions. He expressed his satisfaction with the growth of the interest income by 5.5% as compared to the same period last year. Fitch has affirmed DHBK's Long-Term Issuer Default Rating (IDR) at 'A' with a 'Stable' outlook, which recognize DHBK's sustainable business model in the current business environment. DHBK's Managing Director, Sheikh Abdul Rehman bin Mohamed bin Jabor Al-Thani said, "The total shareholder's equity stood at QR13.3bn as of June 30 this year, from QR12.5bn for the same period last year, registering a growth of 5.7%. "The bank continued to strengthen its key capitalization ratios, where the total capital adequacy ratio of the bank increased to 17.4% in 1H2019 from 16.6% in the same period last year. The bank, given the scale of its operations, has achieved a return on the average assets of 1.05% as of June 30." (QNB FS Research, QSE, Gulf-Times.com)

- UDCD posts 17.7% YoY increase but 68.3% QoQ decline in net profit in 2Q2019** – United Development Company's (UDCD) net profit attributable to the equity shareholders rose 17.7% YoY (but declined 68.3% on QoQ basis) to QR54.0mn in 2Q2019. The company's revenue came in at QR382.1mn in 2Q2019, which represents an increase of 6.1% YoY. However, on QoQ basis, revenue fell 27.9%. EPS amounted to QR0.063 in 1H2019 as compared to QR0.074 in 1H2018. In 1H2019, UDCD's net profit attributable to the equity shareholders came in at QR224.6mn as compared to QR260.4mn in 1H2018. UDCD's Chairman Turki bin Mohamed Al-Khater said, UDCD managed to build on its

stable financial results in the first half of 2019 and is actively pursuing development projects across The Pearl-Qatar and Gewan Island. With the launch of the sale of 10 tower land plots in Floresta Gardens and the fourth sales phase of Al Mutahidah Towers, Al-Khater said UDCD is well positioned to sustain its positive results, as it gears up to launch the construction works for United School International and the Floresta Gardens, as well as Giardino Village gated residential compounds. Al-Khater said, "Through offerings that serve the community needs of The Pearl-Qatar, UDCD will further bolster the island's position as an attractive destination for families and business professionals alike. "In this regard, UDCD has named Orbital Education as the operator of United School International in Giardino Village precinct, and tasked Al Darwish Engineering Company to undertake the construction works for the development of the School, in addition to awarding Ramaco Trading & Contracting Company the design and construction works of Floresta Gardens Gated Compound." He added, "Our excellent customer service and rich portfolio of projects across The Pearl-Qatar will attract new investors to the Island and enable UDCD to sustain its diversified revenue stream." UDCD's President and CEO, Ibrahim Jassim Al-Othman said UDCD is committed to pursue its development activities mainly evidenced by the development of Gewan Island project with an investment value of approximately QR3bn. (QSE, Gulf-Times.com)

- **MCGS posts ~5% YoY increase but ~34% QoQ decline in net profit in 2Q2019** – Medicare Group's (MCGS) net profit rose ~5% YoY (but declined ~34% on QoQ basis) to ~QR13mn in 2Q2019. In 1H2019, MCGS reported net profit of QR33.8mn as compared to QR33.2mn in 1H2018. EPS remained flat at QR0.12 in 1H2019 as compared to the same period for the previous year. (QSE)
- **QGRI's post net profit of ~QR3mn in 2Q2019** – Qatar General Insurance & Reinsurance Company (QGRI) reported net profit of ~QR3mn in 2Q2019 as compared to net loss of QR1.1mn in 2Q2018 and net profit of QR20.4mn in 1Q2019. In 1H2019, QGRI reported net profit of QR23.0mn as compared to QR54.0mn in 1H2018. EPS amounted to QR0.026 in 1H2019 as compared to QR0.062 in 1H2018. (QSE)
- **UDCD signs agreement with QNB Group, The Commercial Bank to finance Gewan Island development** – United Development Company (UDCD) has signed an agreement with QNB Group and The Commercial Bank to finance the development of Gewan Island project with a credit ceiling of QR1.250bn, the company stated. The signing of the agreement comes within the framework of UDCD's development plans for Gewan Island, the firm's latest major real estate investment project, the statement stated. The agreement was jointly signed by UDCD's President and CEO, Ibrahim Jassim Al Othman, QNB Group's Acting Group CEO, Abdullah Mubarak Al Khalifa and The Commercial Bank's Group CEO, Joseph Abraham. Ibrahim said the total investment value in Gewan Island amounts to approximately QR3bn. He added, "The agreement with QNB Group and The Commercial Bank lays solid foundations in terms of supporting UDCD's expansion plans and developing its operations base through investments in real estate development projects." (Qatar Tribune)

- **S&P affirms QATI's issuer credit and financial strength ratings at 'A' with 'Stable' outlook** – S&P Global Ratings (S&P) affirmed its 'A' issuer credit and financial strength ratings on Qatar Insurance Company (QATI) and its guaranteed subsidiaries. The outlook is 'Stable'. S&P also affirmed the 'BBB+' issue credit rating on the group's subordinated debt. The 'Stable' outlook reflects S&P's expectation that QATI's capital and earnings will remain strong over the next 24 months. S&P expects the group will maintain its strong business position. In particular, S&P do not expect the increased exposure to the UK motor market to adversely affect its earnings profile. S&P stated, "Our ratings on QATI reflect its strong business and financial risk profiles. Supporting factors are the group's scale, diversified premium base (by geography and product), and ability to post good results. This is despite the challenging pricing conditions in some of its main business lines. The group's 'AAA' level risk-based capital (measured using our model) somewhat mitigates its acquisitive nature and rapid premium growth through new business, particularly in new territories. The latter is demonstrated by the significant levels of UK business the group is writing through Markerstudy." S&P stated it could lower the ratings on QATI over the next 24 months if: (i) There are signs that the group's risk-based capital is likely to drop materially below the 'AAA' level. This could arise from a combination of weak earnings, excessive profit distribution, material growth, or acquisitions, (ii) S&P sees a sustained weakening of its business profile through deterioration of earnings, and (iii) There is evidence of materially higher exposure to catastrophe or other highly volatile risks. (Bloomberg)
- **QCB: Qatar fully out of blockade's economic impact** – Qatari economy has fully come out of the initial adverse impacts from the unjust economic blockade. This is reflected in the normalization of capital flows, comfortable liquidity position of the banking system, official foreign exchange reserves returning close to the pre-blockade level and a healthy growth in bank credit to private sector and a reasonable growth in the non-hydrocarbon sector, the Qatar Central Bank (QCB) revealed. "The trade and current account surpluses and fiscal balance improved continuously. Capital flows normalized despite the ongoing economic blockade, getting more diversified and from relatively stable sources. There has been a significant rebuilding of foreign exchanges reserves and improvement in liquidity positions in the banking system. These improvements, combined with economic diversification policies implemented in the recent years, have reduced domestic vulnerabilities", QCB stated in its 10th Financial Stability Report (FSR). The document, an annual assessment of financial sector's risks and vulnerabilities, underscored Qatar's ability to withstand any unforeseen disturbances and maintain financial stability going forward. QCB's Governor, HE Sheikh Abdulla bin Saoud Al Thani said, "In the middle of weakening global economy, Qatari economy showed a resilient performance during the review year. Although real GDP growth was somewhat slower than the preceding year, other macroeconomic indicators including fiscal position, current account balance and stock market improved in 2018. With normalization of capital flows and strengthening of macroeconomic conditions, Qatar economy has fully come out

of the initial adverse impacts from the economic blockade.” (Peninsula Qatar)

International

- **MBA: US mortgage applications drop in latest week** – The US mortgage applications decreased last week, as expensive materials and shortages of land and labor have constrained builders’ ability to produce more affordable housing, the Mortgage Bankers Association (MBA) stated. The Washington-based group’s seasonally adjusted index on loan requests, both to buy a home and refinance one, fell 1.9 percent to 490.8 from 500.2 in the week ended July 19. Most fixed-mortgage MBA tracks were decreased by as much as 4 basis points from the week before. MBA’s seasonally adjusted gauge on refinancing declined 2.1% to 1,789.8 from prior week’s 1,827.3. (Reuters)
- **US housing, manufacturing sectors mired in weakness** – Sales of new US single-family homes rebounded sharply in June, but sales for the prior three months were revised down, indicating that the housing market continued to tread water despite lower mortgage rates and a strong labor market. Other data showed manufacturing activity slowing to a near 10-year low in early July, with production volumes and purchases falling. Weak housing and manufacturing are offsetting strong consumer spending, holding back the economy and posing a threat to the longest expansion in history. The Commerce Department stated new home sales rebounded 7.0% to a seasonally adjusted annual rate of 646,000 units last month. May’s sales pace was revised down to 604,000 units from the previously reported 626,000 units. Data for March and April was also revised down. Economists polled by Reuters had forecasted new home sales, which account for about 11% of housing market sales, increasing 6.0% to a pace of 660,000 units in June. New home sales are drawn from permits and tend to be volatile on a MoM basis. Sales increased 4.5% from a year ago. The earnings reports from Caterpillar and Boeing underscore the manufacturing sector’s struggles. In a separate report, data firm IHS Markit stated its Flash US manufacturing PMI slipped to a reading of 50.0 in July, the lowest since September 2009, from 50.6 in June. The reading is in line with the neutral 50.0 threshold, which IHS Markit stated signaled stagnant manufacturing business conditions. (Reuters)
- **Reuters poll: Fed to cut rates for first time in a decade this month** – A quarter-point Federal Reserve interest rate cut in July is almost a done deal, according to economists in a Reuters poll, who expect another later in the year amid rising economic risks from the ongoing US-China trade war. Expectations in the July 16-24 poll for the first rate cut in more than a decade have firmed this month after several Fed members have strongly hinted policy easing is coming soon, pushing US stocks to new record highs. While that lines up with most major central banks, which have turned dovish in recent months, the latest poll shows economists, like financial markets, have settled on a 25 basis point cut in the federal funds rate to 2.00-2.25% rather than a half-point reduction. Over 95% of 111 economists now predict a 25 basis point cut at the July 30-31 meeting. Only two economists polled expected a 50 basis point reduction and a further two said the Fed would hold steady. (Reuters)
- **UK mortgage approvals near two-year high in June** – The number of mortgages approved for British house purchases

edged up to one of its highest levels in the past two years last month, though credit card lending grew at a slower pace, data from industry body UK Finance showed. Consumer demand has generally been robust since Britain voted to leave the European Union in June 2016, but the housing market has slowed, especially in London and surrounding areas. Bank of England’s Chief Economist, Andy Haldane said that there were signs the slowdown in the housing market had bottomed out. The number of mortgages approved for house purchase rose to 42,653 in June, on a seasonally-adjusted basis, up from 42,407 in May and close to April’s two-year high of 42,792. Net credit card lending slowed to 119mn Pounds in June from 247mn Pounds in May, the lowest since a contraction of 54mn Pounds in December 2018. (Reuters)

- **Eurozone’s business growth stalls in July, outlook darkens** – Eurozone’s business growth was much weaker than expected this month, hurt by a deepening contraction in manufacturing, and forward-looking indicators in surveys published suggest conditions will get worse next month. IHS Markit’s Flash Composite Purchasing Managers’ Index (PMI), considered a good guide to economic health, dropped to 51.5 this month from a final June reading of 52.2, missing the median expectation in a Reuters poll for 52.1 and closer to the 50 mark separating growth from contraction. IHS Markit stated the PMI suggested economic growth of 0.2% - or possibly as low as 0.1% - this quarter, weaker than the 0.3% predicted in a Reuters poll. A PMI for the bloc’s dominant service industry fell to 53.3 from June’s 53.6, matching the median Reuters poll forecast. Manufacturing activity contracted for a sixth month and at its sharpest rate since late 2012. The factory PMI fell to 46.4 from 47.6, below all forecasts in a Reuters poll which had predicted no change from June’s reading. An index measuring output, which feeds into the composite PMI, sank to 47.0 from 48.5 - its lowest reading since April 2013. (Reuters)
- **German manufacturing recession deepens, weakest showing in 7 years** – A recession in Germany’s manufacturing sector worsened in July with the performance of goods producers dropping to the lowest level in seven years, a survey showed, suggesting a deteriorating growth outlook for Europe’s largest economy. Markit’s flash composite Purchasing Managers’ Index (PMI), which tracks the manufacturing and services sectors that together account for more than two thirds of the economy, fell to 51.4 from 52.6 in the previous month. That undershot analysts’ consensus forecast of 52.3 and was the lowest reading since March, though it still remained above the 50 mark that separates growth from contraction. The drop was driven by a decline of the manufacturing sub-index which fell to 43.1 from 45.0. The latest reading was the lowest since July 2012. (Reuters)

Regional

- **MENA sees deal value spike in first half of 2019** – The value of announced deals with disclosed value in the MENA region increased by 220.8% to \$115.5bn in 1H2019, up from \$36.0bn in 1H2018, according to the EY 1H2019 MENA M&A report. However, deal volume witnessed a decrease of 10.7%, with 216 announced deals in 1H2019, down from 242 deals recorded in 1H2018. In 1H2019, state-owned entities were involved in 55 deals (25% of total deals) amounting to \$104.5bn, 90% of the

total deal value, including mega deals involving Saudi Aramco, ADNOC and ADIA. MENA's Transaction Advisory Services Leader, EY, Matthew Benson said, "MENA corporates are finding innovative ways to raise capital and have stepped up the frequency of their portfolio reviews. The EY Capital Confidence Barometer (CCB) report indicates that 61% of MENA executives say their companies are reviewing their portfolios every quarter or more frequently – more often than global executives. With more frequent portfolio reviews, several noncore businesses are set aside for divestment thereby fueling deal activity." (Peninsula Qatar)

- **Fitch Ratings affirms Alinma Bank's IDR at 'BBB+' with a 'Stable' outlook** – Fitch Ratings has affirmed Alinma Bank's Long-Term Issuer Default Rating (IDR) at 'BBB+'. It has also affirmed the bank's Viability Rating (VR) and Support Rating Floor (SRF) at 'bbb' and 'BBB+', respectively. The IDRs of Alinma Bank are driven by its SRF of 'BBB+', which is higher than its VR. The 'Stable' outlook on Alinma Bank IDR mirrors that on the sovereign rating ('A+'/'Stable') as the probability of sovereign support drives the Long-Term IDR. Alinma Bank's SR and SRF reflect Fitch's view of a high probability of support for the bank, if needed, from the Saudi Arabian authorities. Fitch's assessment takes into account a long track record of support for Saudi Arabian banks, continued government willingness to maintain stability in the domestic financial system and a strong ability to support the bank, given large, albeit decreasing, external reserves and increased access to external markets. Alinma Bank's SR and SRF also reflect the bank's lower relative systemic importance compared with that of the larger banks we rate, due to the bank's smaller size, market share and franchise. Alinma Bank's Short-Term IDR of 'F2', the lower of the two options that map to a 'BBB+' Long-Term IDR, reflects Fitch's view of potentially simultaneous deterioration in the liquidity profile of both the sovereign and the bank in a stress scenario. The latter could impede the prompt flow of funds from the sovereign to the bank, reflecting the potential for the sovereign to pay its direct obligations ahead of providing support to the financial sector. (Bloomberg)
- **Kuwaiti and Saudi Arabian officials discuss resuming Neutral Zone oil production** – OPEC members Saudi Arabia and Kuwait have discussed resuming oil production in jointly operated fields in the Saudi Arabian–Kuwaiti Neutral Zone, Kuwaiti state news agency KUNA reported. Saudi Arabia's Minister of State for Energy Affairs visited Kuwait to "continue to discuss and cooperate on the resumption of oil production in the southern Neutral Zone after settling all required technical issues from both sides," KUNA reported, quoting a Kuwaiti government spokesman. The Saudi–Kuwaiti Neutral Zone, or Divided Zone, is an area of 5,770 square km between the two countries' borders that was left undefined when the border was established in 1922. The two countries halted output from the jointly run oilfields - Khaffji and Wafra - more than four years ago, cutting some 500,000 barrels per day or 0.5% of global oil supply. (Reuters)
- **Saudi Aramco to boost Saudi Arabia's east-west pipeline capacity to 7mn bpd** – Saudi Aramco plans to boost capacity of the main pipeline from the biggest oil fields in the country's east to the Red Sea coast in the west as early as September,

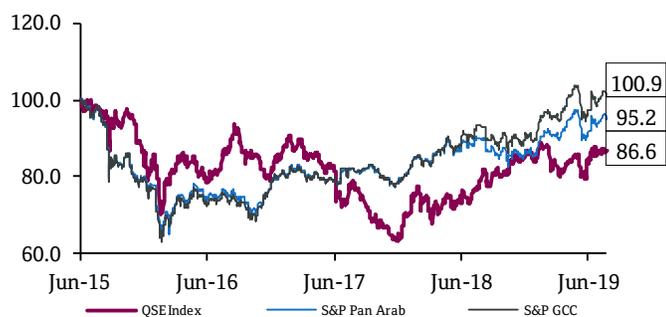
Energy Intelligence reported. Saudi Aramco will increase pipeline capacity by 40% to 7mn bpd, from 5mn bpd currently. Rising tension and concerns over maritime security have pushed Saudi Aramco to accelerate planned capacity increase. East-West link allows Saudi Arabia's oil exports to bypass Strait of Hormuz at mouth of Persian Gulf. The company has plans to increase capacity of East-West pipeline for several years, however, has delayed them; was planning to raise capacity to 7mn bpd by 2018; in bond prospectus released in April, Saudi Aramco stated that it has planned to raise capacity to 6.5mn bpd by 2023. (Bloomberg)

- **Saudi Arabia in talks with investors on mega entertainment city** – Saudi Arabia is in talks with regional and global investors for its first mega entertainment and sports city that is being developed as part of the Kingdom's plans for life after oil. "The project will be built on a combination of our capital that is deployed alongside investment capital from many other sources," Chief Executive Officer of Qiddiya Investment Co., Michael Reininger said. "We are now engaging in these discussions with people who are coming to us and saying this seems interesting." The company is looking at options such as joint ventures, land leasing and privatization to fund the project, he added. Funds from investors "will be put alongside our money and we'll be able to leverage that both on the debt and equity side in order to finance the project." Qiddiya, backed by the Kingdom's sovereign wealth fund, will cover 334 square kilometers outside of Riyadh and have a Six Flags Entertainment Corp. theme park, private race track and an off-road zone. (Bloomberg)
- **UAE and Indonesia firms sign agreements worth \$9.7bn** – Companies in Indonesia and the UAE have signed agreements worth a total of \$9.7bn during an official visit of Abu Dhabi crown prince to the Southeast Asian country, the Indonesian government stated. Sheikh Mohammed bin Zayed met with Indonesian President, Joko Widodo. On the sidelines of the visit, the Abu Dhabi National Oil Company (ADNOC) signed an agreement with Indonesia's state-owned energy company PT Pertamina for oil and gas collaboration in both countries and globally, which has a potential value of \$2.5bn, the foreign ministry stated. ADNOC stated that the deal covered projects in the UAE upstream oil and gas sector as well as refining and petrochemicals, LNG, LPG, aviation fuel and fuel retail opportunities in Indonesia. Indonesia's Chandra Asri Petrochemical also signed an agreement with Abu Dhabi's investment company Mubadala and Austrian energy firm OMV to explore opportunities in petrochemicals, the three companies stated. The foreign ministry stated that the three were exploring the development of a naphtha cracker and petrochemical complex, with a potential value of \$6bn. Indonesia's Maspion Group signed an agreement with Dubai Port World to develop a container terminal in Gresik in East Java, the ministry stated, valuing the deal at \$1.2bn. (Reuters)
- **UAE telecom company du warns of second-half revenue decline** – UAE telecom company du expects its revenue to continue to decline in the second half of 2019, CEO, Osman Sultan told reporters. The company posted second-quarter net profit of AED464mn, up 2.4% from the same period last year, on revenue down 4.8%. (Reuters)

- **Noor Bank's 1H2019 profit rises 29% to AED410mn** – Noor Bank, which is likely to be taken over by Dubai Islamic Bank, reported a profit of AED410mn in 1H2019, an increase of 29%. First-half revenue increased 7%, the Islamic bank stated. “Stringent expense management” restricted cost growth to 2%, improving the cost-to-income ratio to 33.5%. Customer financing increased 5% in 1H2019 from a year ago and customer deposits rose 11%. The impaired financing ratio improved to 4.3% with cost of risk reducing to 1.9%. “Our disciplined cost management and lower impairment charges have significantly contributed to the surge in net profit with an improved cost-to-income ratio,” CEO of Noor Bank, John Iossifidis said. (Bloomberg)
- **Maspion and DP World to jointly invest \$1.2bn for port in Indonesia** – Maspion and DP World have jointly signed a deal to develop a container port in Maspion’s industrial estate in Gresik, East Java worth 1.2bn, according to President Director of Maspion Group, Alim Markus. The port will have 3m TEUs capacity, Markus tells reporters in Jakarta. Maspion will own 51% stake in the project, while the rest will be controlled by DP World. (Bloomberg)
- **Abu Dhabi's economy grew 5.7% in first quarter, driven by oil** – Abu Dhabi’s GDP expanded 5.7% in the first quarter, compared with the same period in 2018. The expansion was driven by the oil sector, which grew 12.8%, according to a report released by the Emirate’s statistics agency. Abu Dhabi’s non-oil GDP shrank 0.9%. (Bloomberg)
- **Abu Dhabi Islamic Bank reported net income of AED630.1mn in 2Q2019** – Abu Dhabi Islamic Bank reported net income of AED630.1mn in 2Q2019 as compared to AED572.7mn in 2Q2018. Net revenue came in at AED1.45bn in 2Q2019 as compared to AED1.36bn. Credit provisions and impairment stood at AED158.6mn in 2Q2019 as compared to AED165.3mn in 2Q2018. Gross customer financing stood at AED81.9bn in 2Q2019 as compared to AED79.6bn in 2Q2018. Customer deposits stood at AED99.8bn in 2Q2019 as compared to AED101.2bn in 2Q2018. (Bloomberg)
- **Abu Dhabi seeks to buy stake in Vitol oil-storage unit VTTI** – Abu Dhabi’s government-owned crude producer is seeking to buy a stake in Vitol’s global oil-storage business, according to sources. ADNOC is in talks to buy part of the business known as VTTI to access its global network of tank farms, according to sources. VTTI has oil tank farms in the US, Europe, Asia, Africa and the Middle East with combined capacity to hold 9.2mn cubic meters of oil. (Bloomberg)
- **ADNOC and Pertamina sign strategic cooperation plan** – Abu Dhabi National Oil Co. and Pertamina sign framework pact to study oil and natural gas development opportunities, according to a statement. The government-owned companies will look at developing projects in Indonesia, UAE, where Abu Dhabi considers production, refining, chemicals, liquefied natural gas and other fuels. (Bloomberg)
- **ADNOC sells fuel oil as Ruwais refinery RFCC shut for work** – Abu Dhabi National Oil Co. (ADNOC) sells straight-run fuel oil after shutting an upgrading unit at its Ruwais refinery, traders said. ADNOC shut its Residue Fluid Catalytic Cracker at Ruwais complex for maintenance, according to a company statement. The company sees no interruption in local or international supply and has not specified the duration of halt. ADNOC sold at least 3 cargos of 80k tons of fuel oil for July 20-July 31 loading from Ruwais. Cargos were purchased by western traders. (Bloomberg)
- **NBS posts 2.7% YoY rise in net profit to AED290.5mn in 1H2019** – Sharjah Islamic Bank (NBS) recorded net profit of AED290.5mn in 1H2019, an increase of 2.7% YoY. Net operating income rose 26.0% YoY to AED660.7mn in 1H2019. Total assets stood at AED44.3bn at the end of June 30, 2019 as compared to AED44.7bn at the end of December 31, 2018, while customers’ deposits stood at AED28.2bn (+6.7% YTD) at the end of June 30, 2019. (ADX)
- **Commercial Bank of Kuwait reported net income of KD8.86mn in 2Q2019** – Commercial Bank of Kuwait reported net income of KD8.86mn in 2Q2019 as compared to net loss of KD4.03mn in 2Q2018. The operating revenue came in at KD47.0mn in 2Q2019 as compared to KD40.2mn in 2Q2018. The operating profit came in at KD34.3mn in 2Q2019 as compared to KD27.4mn in 2Q2018. The profit reported for 1H2019 is KD9.81mn as compared to KD6.04mn. The profit attributes rise to higher net interest income, gain from dealing in foreign currencies, fees and commission and other income. (Bloomberg)
- **Kuwait Wealth Fund to sell \$502mn stake in Gulf Bank** – Kuwait Investment Authority, the oil-rich nation’s wealth fund, will sell a stake valued at \$502mn in Gulf Bank to Alghanim Trading Co., making it the lender’s top shareholder. The fund will sell a 16% stake, or 490mn shares, to Kuwait-based Alghanim at 312 fils a share, according to a statement. No other offer was made to buy the shares in an auction. Alghanim, which operates in industries ranging from construction to energy, in January, received central bank’s approval to boost its ownership in Gulf Bank to 33%. It held 16.67% before the plan to buy the wealth fund’s stake, according to data on the stock exchange. Kuwait Investment Authority held a 20.2% stake in Gulf Bank before the sale. (Bloomberg)
- **Kuwait Projects Company raises \$312mn from rights issue** – Kuwait Projects Company has raised \$312mn from rights issue, it stated. The number of rights offering shares subscribed was 408.2mn, at 90.16%. The number of additional shares subscribed was 121.7mn at 26.88%. In total, 452.7mn shares have been allotted. (Bloomberg)
- **Kuwait appoints a unit of US multinational Honeywell to work on Al-Zour refinery** – Kuwait Integrated Petroleum Industries Co. (KIPIC) has appointed a unit of US multinational Honeywell International Inc to provide technology and production systems to its long-delayed Al-Zour refinery, it stated. KIPIC, a new subsidiary of Kuwait Petroleum Corporation (KPC), gave no financial details of the deal. Originally planned more than a decade ago however, repeatedly delayed by bureaucratic and political issues, Al-Zour will be on completion the largest integrated refinery and petrochemicals plant ever constructed in Kuwait. Its production capacity is estimated at 615,000 barrels per day, increasing Kuwait’s overall refining capacity to over 1.5mn barrels a day. It is expected to go into operation in 2020. KIPIC was set up to manage refinery, petrochemicals and LNG import operations in the Al-Zour complex south of Kuwait City. (Reuters)

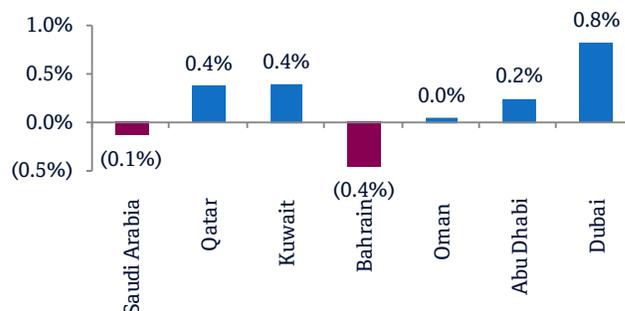
- **KFH says due diligence on AUB merger taking longer than planned** – Regulators in the countries where Ahli United Bank and Kuwait Finance House (KFH) operate are taking longer than expected to complete due diligence on the merger, KFH CEO, Mazin Saad Al Nahedh said. He expects the process to be done in the next two months. In February, KFH had hired Goldman Sachs as advisor for the merger. (Bloomberg)
- **Oman hires banks for Dollar bond after cutting deficit** – The government of Oman has hired banks ahead of a planned issue of US Dollar bonds, its first this year, as the junk-rated country seeks to cover its budgetary needs. The transaction comes hot on the heels of a rating affirmation by Fitch earlier this week and improved government deficit figures, boosted by a jump in revenues. Oman is poised to take advantage of positive conditions in the regional debt markets, despite heightened geopolitical tensions in the Gulf, where the US says Iran and its proxies have carried out tanker attacks. The Sultanate's ministry of finance has mandated Citi, JPMorgan and Standard Chartered as coordinators for the potential deal, a document by one of the banks leading the deal showed. The senior unsecured bonds will be split into a tranche slightly longer than five years and another tranche of 10 years. Oman is likely to raise around \$2bn with its new bonds, sources previously told Reuters, out of total funding requirements for the year previously estimated to be more than \$6bn. (Reuters)
- **S&P affirms Oman Insurance Co. 'A-' long-term issuer credit and insurer financial strength ratings with a 'Stable' outlook** – Oman Insurance Co. (OIC) is the leading listed insurer in the UAE, and has capital adequacy above the 'AAA' level, as per our internal risk-based capital model, exceptional liquidity and support its business growth and diversification plans over the next two years. However, OIC's earnings track record in recent years has been slightly weaker than similar sized peers in the market. S&P has affirmed 'A-' long-term issuer credit and insurer financial strength ratings on OIC. The 'Stable' outlook reflects S&P's view that the OIC's will maintain robust capital adequacy sufficient to support its business growth and diversification plans over the next two years. (Bloomberg)
- **Oman sells OMR35mn 91-day bills at yield 2.273%** – Oman sold OMR35mn of 91 day bills due on October 23, 2019 on July 22, 2019. The bills were sold at a price of 99.436, having a yield of 2.273% and settle on July 24, 2019. (Bloomberg)
- **Emirates NBD: Oman's NBO gets \$300mn three year syndicated loan** – National Bank of Oman (NBO) has mandated Bank ABC and Emirates NBD Capital to arrange \$300mn syndicated term loan, Emirates NBD stated. The facility has a tenor of 3 years. The proceeds from the loan will be utilized for general corporate purposes. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,425.88	0.6	0.0	11.2
Silver/Ounce	16.60	1.2	2.4	7.1
Crude Oil (Brent)/Barrel (FM Future)	63.18	(1.0)	1.1	17.4
Crude Oil (WTI)/Barrel (FM Future)	55.88	(1.6)	0.4	23.1
Natural Gas (Henry Hub)/MMBtu	2.26	(3.4)	(0.4)	(29.1)
LPG Propane (Arab Gulf)/Ton	48.63	(2.8)	(3.7)	(24.0)
LPG Butane (Arab Gulf)/Ton	48.00	1.6	(0.3)	(30.9)
Euro	1.11	(0.1)	(0.7)	(2.9)
Yen	108.19	(0.0)	0.4	(1.4)
GBP	1.25	0.4	(0.1)	(2.1)
CHF	1.02	0.1	(0.3)	(0.3)
AUD	0.70	(0.4)	(0.9)	(1.0)
USD Index	97.73	0.0	0.6	1.6
RUB	63.29	0.2	0.4	(9.2)
BRL	0.27	0.0	(0.7)	2.9

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,217.75	0.4	1.1	17.7
DJ Industrial	27,269.97	(0.3)	0.4	16.9
S&P 500	3,019.56	0.5	1.4	20.5
NASDAQ 100	8,321.50	0.8	2.1	25.4
STOXX 600	391.73	(0.0)	0.4	12.9
DAX	12,522.89	0.2	1.4	15.5
FTSE 100	7,501.46	(0.2)	(0.1)	9.3
CAC 40	5,605.87	(0.3)	0.2	15.3
Nikkei	21,709.57	0.4	0.8	10.8
MSCI EM	1,055.34	(0.0)	(0.2)	9.3
SHANGHAI SE Composite	2,923.28	0.9	0.1	17.3
HANG SENG	28,524.04	0.2	(0.9)	10.6
BSE SENSEX	37,847.65	(0.2)	(1.4)	6.1
Bovespa	104,119.50	0.8	0.2	22.1
RTS	1,339.62	(0.4)	(0.8)	25.3

Source: Bloomberg (*\$ adjusted returns)

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