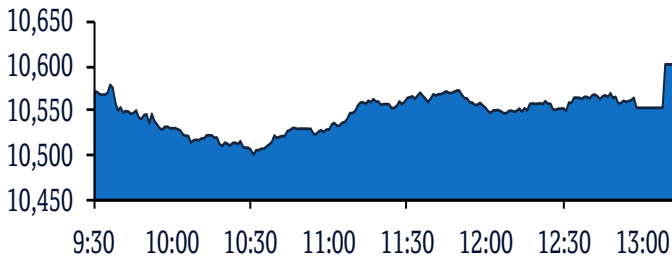


QSE Intra-Day Movement



Qatar Commentary

The QE Index rose 0.3% to close at 10,602.9. Gains were led by the Transportation and Banks & Financial Services indices, gaining 1.2% and 0.6%, respectively. Top gainers were Qatari Investors Group and Gulf Warehousing Company, rising 2.7% and 2.6%, respectively. Among the top losers, Qatar Aluminium Manufacturing Company fell 3.7%, while Qatar Industrial Manufacturing Company was down 3.4%.

GCC Commentary

Saudi Arabia: The TASI Index fell 1.5% to close at 8,729.1. Losses were led by the Media & Entertainment and Banks indices, falling 2.3% and 2.1%, respectively. Dallah Healthcare declined 6.0%, while Eastern Province Cement was down 4.1%.

Dubai: The DFM Index gained 1.2% to close at 2,880.6. The Industrials index rose 8.3%, while the Real Estate & Const. index gained 3.1%. Dubai National Insurance & Reinsurance rose 13.9%, while National Industries Group Holding was up 11.7%.

Abu Dhabi: The ADX General Index gained 0.3% to close at 5,362.8. The Services index rose 1.8%, while the Investment & Financial Serv. index gained 0.7%. Al Qudra Holding rose 9.7%, while Arkan Building Materials Company was up 6.4%.

Kuwait: The Kuwait All Share Index gained 0.3% to close at 6,143.1. The Consumer Services index rose 1.3%, while the Telecommunications index gained 0.5%. Al-Eid Food Company rose 10.0%, while IFA Hotels & Resorts Company was up 9.1%.

Oman: The MSM 30 Index gained 0.1% to close at 3,751.0. Gains were led by the Industrial and Services indices, rising 0.5% and 0.3%, respectively. Oman Fisheries rose 6.6%, while Al Anwar Ceramic Tiles was up 4.3%.

Bahrain: The BHB Index gained 0.5% to close at 1,536.1. The Commercial Banks index rose 0.9%, while the Insurance index gained 0.6%. Bahrain Cinema Company rose 9.0%, while Esterad Investment Company was up 5.6%.

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari Investors Group	2.29	2.7	498.2	(17.7)
Gulf Warehousing Company	5.05	2.6	182.0	31.3
Doha Bank	2.73	2.2	3,683.2	23.0
Qatari German Co for Med. Devices	0.77	2.0	2,154.2	36.2
The Commercial Bank	4.70	1.3	1,575.5	19.3

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Qatar First Bank	0.39	(3.3)	22,625.2	(5.1)
Qatar Aluminium Manufacturing	0.91	(3.7)	7,341.8	(32.1)
Ezdan Holding Group	0.71	(1.1)	6,838.3	(45.3)
Doha Bank	2.73	2.2	3,683.2	23.0
Vodafone Qatar	1.41	0.0	3,228.9	(9.7)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,602.92	0.3	(0.3)	1.4	3.0	50.28	160,177.9	15.0	1.8	4.1
Dubai	2,880.61	1.2	1.0	8.3	13.9	80.61	101,741.4	11.7	1.1	4.3
Abu Dhabi	5,362.83	0.3	(0.5)	7.7	9.1	53.50	147,961.9	16.0	1.5	4.6
Saudi Arabia	8,729.12	(1.5)	(1.0)	(1.1)	11.5	802.85	549,195.4	20.5	2.0	3.4
Kuwait	6,143.10	0.3	1.0	5.3	20.9	123.11	114,640.2	15.1	1.5	3.4
Oman	3,751.01	0.1	(0.1)	(3.4)	(13.2)	6.67	16,523.0	7.1	0.7	7.3
Bahrain	1,536.06	0.5	0.9	4.4	14.9	3.23	24,023.2	11.5	1.0	4.9

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	29 July 19	28 July 19	%Chg.
Value Traded (QR mn)	184.0	98.0	87.8
Exch. Market Cap. (QR mn)	583,101.2	581,262.2	0.3
Volume (mn)	73.6	61.6	19.3
Number of Transactions	5,556	3,358	65.5
Companies Traded	44	45	(2.2)
Market Breadth	16:20	11:28	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	19,510.27	0.3	(0.3)	7.5	15.0
All Share Index	3,129.96	0.3	(0.2)	1.7	15.2
Banks	4,118.51	0.6	(0.1)	7.5	14.2
Industrials	3,197.60	(0.1)	(0.7)	(0.5)	16.6
Transportation	2,613.94	1.2	0.3	26.9	16.6
Real Estate	1,546.56	(0.4)	(0.3)	(29.3)	14.6
Insurance	3,135.82	(0.1)	(1.0)	4.2	18.1
Telecoms	960.20	(0.5)	0.4	(2.8)	19.7
Consumer	8,165.53	0.1	(0.6)	20.9	15.8
Al Rayan Islamic Index	4,068.66	0.1	(0.5)	4.7	14.2

GCC Top Gainers**	Exchange	Close*	1D%	Vol. '000	YTD%
Emaar Properties	Dubai	5.36	3.9	17,227.9	29.8
DAMAC Properties	Dubai	1.03	3.2	27,023.7	(31.8)
National Petrochemical	Saudi Arabia	23.60	2.5	255.0	(2.9)
Saudi Ind. Inv. Group	Saudi Arabia	23.32	2.5	1,336.2	1.9
Emaar Malls	Dubai	2.11	2.4	4,891.7	17.9

GCC Top Losers**	Exchange	Close*	1D%	Vol. '000	YTD%
Alinma Bank	Saudi Arabia	24.74	(3.7)	17,892.2	7.7
Al Rajhi Bank	Saudi Arabia	68.00	(3.0)	7,421.0	19.6
Bank Al-Jazira	Saudi Arabia	14.98	(3.0)	6,161.5	4.9
Samba Financial Group	Saudi Arabia	33.00	(2.7)	1,648.6	5.1
Banque Saudi Fransi	Saudi Arabia	40.00	(2.4)	447.1	27.4

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 Aluminium Manufacturing	0.91	(3.7)	7,341.8	(32.1)
Qatar Ind. Manufacturing Co	3.67	(3.4)	173.6	(14.1)
Islamic Holding Group	2.36	(3.3)	553.7	8.0
Qatar First Bank	0.39	(3.3)	22,625.2	(5.1)
Dlala Brokerage & Inv. Hold. Co.	0.89	(1.6)	98.8	(11.4)

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
QNB Group	19.50	1.0	45,304.6	0.0
Qatar Islamic Bank	16.84	(0.2)	12,366.1	10.8
Industries Qatar	11.37	(0.3)	11,841.8	(14.9)
Doha Bank	2.73	2.2	9,925.3	23.0
Qatar First Bank	0.39	(3.3)	8,802.9	(5.1)

Source: Bloomberg (* in QR)

Qatar Market Commentary

- The QE Index rose 0.3% to close at 10,602.9. The Transportation and Banks & Financial Services indices led the gains. The index rose on the back of buying support from non-Qatari shareholders despite selling pressure from Qatari and GCC shareholders.
- Qatari Investors Group and Gulf Warehousing Company were the top gainers, rising 2.7% and 2.6%, respectively. Among the top losers, Qatar Aluminium Manufacturing Company fell 3.7%, while Qatar Industrial Manufacturing Company was down 3.4%.
- Volume of shares traded on Monday rose by 19.3% to 73.6mn from 61.6mn on Sunday. Further, as compared to the 30-day moving average of 70.6mn, volume for the day was 4.2% higher. Qatar First Bank and Qatar Aluminium Manufacturing Company were the most active stocks, contributing 30.8% and 10.0% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	28.82%	43.19%	(26,452,439.08)
Qatari Institutions	14.82%	13.23%	2,934,845.88
Qatari	43.64%	56.42%	(23,517,593.20)
GCC Individuals	0.57%	2.21%	(3,018,031.26)
GCC Institutions	1.79%	3.05%	(2,333,283.66)
GCC	2.36%	5.26%	(5,351,314.92)
Non-Qatari Individuals	7.39%	10.38%	(5,488,190.72)
Non-Qatari Institutions	46.61%	27.94%	34,357,098.84
Non-Qatari	54.00%	38.32%	28,868,908.11

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

Earnings Releases and Earnings Calendar

Earnings Releases

Company	Market	Currency	Revenue (mn) 2Q2019	% Change YoY	Operating Profit (mn) 2Q2019	% Change YoY	Net Profit (mn) 2Q2019	% Change YoY
Dallah Healthcare Co.	Saudi Arabia	SR	286.0	4.7%	18.1	-8.1%	15.3	-18.2%
Saudi Industrial Investment Group	Saudi Arabia	SR	1,651.0	-26.3%	435.0	-41.0%	205.0	-36.1%
Halwani Bros. Co.	Saudi Arabia	SR	200.2	1.0%	6.1	-61.9%	-3.7	N/A
National Petrochemical Co.	Saudi Arabia	SR	1,651.0	-26.3%	321.0	-44.0%	183.0	-36.5%
Al-Jouf Agricultural Dev. Co.	Saudi Arabia	SR	44.7	-44.1%	1.3	-95.7%	1.2	-95.5%
Herfy Food Services Co.	Saudi Arabia	SR	309.3	7.9%	51.1	1.9%	40.9	-11.0%
Takween Advanced Industries Co.	Saudi Arabia	SR	319.1	-14.9%	-2.8	N/A	-13.0	N/A
Rabigh Refining and Petrochem. Co	Saudi Arabia	SR	9,032.0	-15.9%	-30.0	N/A	-308.0	N/A
Saudi Paper Manufacturing Co.	Saudi Arabia	SR	121.9	13.4%	-2.6	N/A	-15.4	N/A
Banader Hotels Company*	Bahrain	BHD	719.8	-2.1%	410.4	6.4%	-913.4	N/A

Source: Company data, DFM, ADX, MSM, TASI, BHB. (* Figures in '000)

Earnings Calendar

Tickers	Company Name	Date of reporting 2Q2019 results	No. of days remaining	Status
QATI	Qatar Insurance Company	30-Jul-19	0	Due
AHCS	Aamal Company	30-Jul-19	0	Due
DBIS	Dlala Brokerage & Investment Holding Company	30-Jul-19	0	Due
MRDS	Mazaya Qatar Real Estate Development	31-Jul-19	1	Due
DOHI	Doha Insurance Group	31-Jul-19	1	Due
QNCD	Qatar National Cement Company	1-Aug-19	2	Due
IQCD	Industries Qatar	1-Aug-19	2	Due
IGRD	Investment Holding Group	4-Aug-19	5	Due
GISS	Gulf International Services	4-Aug-19	5	Due
QISI	Qatar Islamic Insurance Company	4-Aug-19	5	Due
BRES	Barwa Real Estate Company	5-Aug-19	6	Due
SIIS	Salam International Investment Limited	5-Aug-19	6	Due
MPHC	Mesaieed Petrochemical Holding Company	5-Aug-19	6	Due
ZHCD	Zad Holding Company	5-Aug-19	6	Due
QOIS	Qatar Oman Investment Company	5-Aug-19	6	Due
MCCS	Mannai Corporation	6-Aug-19	7	Due
MERS	Al Meera Consumer Goods Company	6-Aug-19	7	Due

Source: QSE

Qatar

- VFQS posts 10.5% YoY increase but 20.7% QoQ decline in net profit in 2Q2019, misses our estimate** – Vodafone Qatar's (VFQS) net profit rose 10.5% YoY (but declined 20.7% on QoQ basis) to QR34.5mn in 2Q2019, missing our estimate of QR47.8mn (variation of -27.7%). The company's revenue came in at QR527.1mn in 2Q2019, which represents an increase of 1.5% YoY. However, on QoQ basis, revenue fell 1.5%. Vodafone Qatar posted a half-yearly net profit of QR78.1mn, representing a robust increase of 60.3% YoY, mainly driven by higher earnings before interest, tax, depreciation and amortization (EBITDA). Excluding the one-off provision release benefit in 1H2018, underlying net profit more than doubled with a growth of 125%. EPS amounted to QR0.02 in 1H2019 as compared to QR0.01 in 1H2018. The company's total revenue increased by 1.0% to QR1.06bn compared to the same period of last year, driven by growth in postpaid subscribers and higher home broadband. EBITDA for the period stood at QR358mn, representing an improvement of 26.2% YoY due to the higher revenue, continued effective cost management and the application of International Financial Reporting Standard (IFRS) 16. Consequently, EBITDA margin improved by 6.7 percentage points to reach 33.7% in 1H2019, Vodafone Qatar stated. Vodafone Qatar is now serving nearly 1.8mn customers due to 'solid growth' within the postpaid segment led by Vodafone Qatar's 'innovative products and exciting plans'. On the results, Vodafone Qatar's Chairman, Abdulla Nasser Al-Misnad said, "Vodafone Qatar has delivered a strong financial performance over the past six months driven by our sixth consecutive quarter of net profit and quarterly year-on-year total revenue growth. This is a clear indication that our strategy to turnaround the profitability of the company and to generate sustainable topline growth is working. On behalf of the Board, I would like to thank the country's authorities, our shareholders and valued customers for their consistent support to help drive these positive results." Vodafone Qatar's Managing Director, Rashid Fahad Al-Naimi said, "To help support the continuation of the current growth trajectory of the company, we will continue to make strategic capital investments in both our radio and fixed access networks and allocate a significant portion of our CAPEX towards our 5G network rollout. I expect that these investments will yield positive results for our shareholders and valued customers alike over the upcoming quarters." Vodafone Qatar's CEO, Sheikh Hamad Abdulla Jassim Al-Thani said, "We are proud to be the first operator in the country to make 5G products and services commercially available to our customers. We are well prepared to take advantage of the enormous growth opportunities that 5G will deliver." (QNB FS Research, Gulf-Times.com)
- QNNS posts 0.8% YoY increase but 86.5% QoQ decline in net profit in 2Q2019, misses our estimate** – Qatar Navigation's (QNNS) net profit rose 0.8% YoY (but declined 86.5% on QoQ basis) to QR37.7mn in 2Q2019, missing our estimate of QR168.0mn (variation of -77.6%). The company's operating revenue came in at QR549.8mn in 2Q2019, which represents a decrease of 1.1% YoY (-22.4% QoQ). EPS amounted to QR0.28 in 1H2019 as compared to QR0.26 in 1H2018. Qatar Navigation (Milaha) has posted a net profit of QR316.1mn in six months up

to June, up 6.4% increase on the same period last year. Milaha stated the company earned operating revenues of QR1.26bn in 1H2019, up from QR1.25bn for the same period in 2018. The company's operating profit stood at QR230mn for the six months that ended in June, down from QR258mn for the same period in 2018. Milaha Maritime & Logistics' revenue decreased by QR14mn with net profit remaining flat at QR65mn against the same period in 2018. Stronger performance in Milaha's port business offset declines in its logistics and shipyard units. Milaha Gas & Petrochem's revenue decreased by QR5mn with net profit increasing by QR181mn, driven by a reduction in vessel impairments compared to 2018, as well as improvements in market shipping rates in the sectors in which it operates. Milaha Offshore's revenue increased by QR99mn, however, the bottom line decreased by QR95mn. Despite strong operating performance and increase in operating profit, the segment's results declined due to vessel impairments. Milaha Capital's revenue decreased by QR49mn and net profit by QR62mn, as a result of lower dividends and held for trading portfolio income. Milaha Trading's revenue decreased by QR9mn and bottom line decreased by QR5mn with a continued decline in heavy equipment sales being the main contributor to the lower results. (QNB FS Research, QSE, Gulf-Times.com)

- ORDS' bottom line rises 107.4% YoY and 0.1% QoQ in 2Q2019** – Ooredoo's (ORDS) net profit rose 107.4% YoY (+0.1% QoQ) to QR420.7mn in 2Q2019. The company's revenue came in at QR7,316.2mn in 2Q2019, which represents a decrease of 1.7% YoY. However, on QoQ basis, revenue rose 1.7%. EPS amounted to QR0.13 in 2Q2019 as compared to QR0.06 in 2Q2018. Ooredoo's net profit attributable to the shareholders reached QR841.2mn for the first half of 2019, up by 22% compared to the same period last year. The YoY increase was partially aided by a favorable FX environment and offset by a negative IFRS16 impact on net profit. The Group's first half revenue stood at QR14.5bn, a decline of 4% compared to the same period last year, impacted by an industry wide shift from voice services to data services, as well as macroeconomic and currency weakness in some of our markets. Increased monetization of data business, with significant data growth coming from consumer and enterprise customers saw data revenue increase to 52% of Group revenue. Revenue from data contributed QR7.5bn, Ooredoo announced. Commenting on the results, Sheikh Abdulla bin Mohammed bin Saud Al Thani, Chairman of Ooredoo, said, "We are making excellent progress with our digital strategy, whilst effectively managing our costs and overheads to support the growth of our business and long-term shareholder value generation. Ooredoo Group reported a solid set of results for the first half of the year with revenue of QR14.5bn and a 22% increase in net profit despite the pressure in the operating environment in our markets and industry challenges associated with the decline in voice revenues." Also commenting on the results, Sheikh Saud bin Nasser Al Thani, Group Chief Executive Officer of Ooredoo, said, "During the period we invested further into our networks while at the same time improving the profitability of the company." (Company press releases, Peninsula Qatar)
- Ooredoo Qatar's customer base remains stable at 3.3mn in 1H2019** – Ooredoo Qatar continued to hold a strong leadership

position at the end of the first half in June, with both fixed line and mobile networks ranking among the fastest globally. Ooredoo's customer base in Qatar has remained stable at 3.3mn. Ooredoo Qatar stated, "It leveraged its strong sporting heritage to extend its 5G leadership position during the period, conducting 5G trials with a 'Virtual Stadium' at Mall of Qatar and deploying a 5G-connected ambulance for the final of the Amir Cup in May. The company now has around 100 live 5G sites." Ooredoo Qatar launched Ooredoo Sports, an innovative conversational Artificial Intelligence (AI) platform for sports fans that leverages AI and Augmented Reality technologies, and announced a two-year sponsorship of Qatar's national football team. The company deployed a diverse range of Internet of Things (IoT) solutions during the period and enabled the digital transformation of several leading organizations through partnerships and the launch of a new portfolio of business Internet services offering enhanced speeds, security and additional value. (Gulf-Times.com)

- **QGRI announces the final closure of its branches in the Industrial Area and Al Ruwais** – Pursuant to the company's board of directors' resolution and Qatar Central Bank's approval to that respect, Qatar General Insurance & Reinsurance Company (QGRI) announced its intention to close its branches in the Industrial Area and Al Ruwais as on August 29, 2019. In addition, QGRI affirmed its commitment towards all operations of both closed branches and any other liabilities resulting there from and informs the clients of the Industrial Area branch that their respective files shall be transferred to the branch located at Salwa Road - Al Morra East, and for Al Ruwais Branch the client's files shall be transferred to Al Khor Branch, without any change or impact on the services being provided to them. (QSE)
- **Doha Bank teams up with Habib Bank Limited to offer real time remittances to Pakistan from Qatar** – Doha Bank has forged partnership with Habib Bank Limited (HBL) to offer on-the-go remittance solutions to Pakistani expats residing in Qatar. The new online service will enable Doha Bank customers to transfer money instantly to their HBL bank accounts. Customers will also be able to remit money to their other Pakistani bank accounts in approximate one hour most of the time, through HBL's IBFT (interbank funds transfer) facility in Pakistan. (QSE)
- **Qatar Petroleum signs agreement to enter exploration blocks in Guyana** – Qatar Petroleum has entered into an agreement with Total for a share of exploration and production rights in two blocks offshore Guyana in Latin America. Under the agreement, which is subject to customary regulatory approvals by the Government of Guyana, Qatar Petroleum will hold 40% of Total's existing 25% participating interest in the Orinduik block. The other partners in this block are Tullow Oil (Operator) with a 60% participating interest and EcoAtlantic with a 15% interest. Also under the agreement, Qatar Petroleum will hold 40% of Total's existing 25% participating interest in the neighboring Kanuku block. The other partners in this block are Repsol (Operator) with a 37.5% participating interest and Tullow Oil with a 37.5% interest. (Gulf-Times.com)
- **WOQOD, MERS sign MoU to manage, operate Sidra outlets** – Qatar Fuel Company (WOQOD) and Al Meera Consumer Goods Company (MERS) have signed a memorandum of understanding to operate and manage current and prospective

WOQOD's Sidra Convenience Stores, currently aggregating 65 C-stores' outlets, the companies announced. Both firms have agreed to exert their best endeavors to execute the definitive operating and management agreement incorporating the detailed terms and conditions within six month period. WOQOD's CEO and Managing Director, Saad Rashid Mohammed Al Muhannadi said the agreement conforms to WOQOD's strategy for outsourcing non-core business activities through contracting with specialized and/or professional entities/third parties in accordance with the best practice. He stressed that the agreement poses a strong alliance between two publicly listed shareholding Qatari companies responsible to consolidate the State of Qatar's public policy towards localization of the services in order to boost the country's economy. MERS' CEO, Youssef Ali A Y Al-Obaidan said that the agreement avails a favorable opportunity for MERS to further consolidate its activities and services through the addition of Sidra C-Stores. (Qatar Tribune)

- **Private sector credit demand in foreign currency jumps 34.6%** – Qatari banks' credit grew by 3.2% as at the end December 2018. Public sector's credit requirement was reduced by 6.7% in 2018, compared to the previous year. In contrast, private sector triumphed well recording a significant growth of 13%. The year witnessed a significant 34.6% jump in demand from private sector in foreign currency credit, Qatar Central bank's (QCB) data showed. Initiatives taken by government to push the private sector including the Public Private Partnership (PPP) policy, drive on the SME sector development, policies targeted towards attaining self-sufficiency, etc are the possible reasons cited for the momentum for overall private sector credit growth. Government, which holds a considerable share (19.3%) of bank credit in 2017, reduced its domestic borrowing in 2018 by around 13.5%. This considerable reduction in credit off take contributed to the decline public sector credit demand. Banking sector has continued to reduce its exposure to the non-residents. According to credit extended to non-residents decline by around 11% in 2018. The Qatar Development Bank's (QDB) data showed demand for foreign currency credit moderated since September 2017 and it continued until the last quarter of 2018. In 4Q2018, foreign currency credit started an uptrend contributed by both public sector entities and private sector. The demand for foreign currency credit from private sector was more pronounced from the second quarter of 2018 onwards. Higher demand in foreign currency credit towards the end of the year resulted in a year-end growth of 8.4%. (Peninsula Qatar)
- **HIA recognized as World's second-best international airport** – Hamad International Airport (HIA) has secured the second place in the prestigious '2019 Travel + Leisure World's Best' awards. First receiving this award in 2017, HIA continues to position itself as a leading global aviation hub, with redefined airport experiences for travelers from around the world. The Travel + Leisure World's Best Awards evaluate airports based upon the direct feedback of their readers who vote for their favorite airport across the globe, upon criteria such as access, check-in, security, restaurants, shopping, and design. (Gulf-Times.com)

- **JRE, Al Asmakh collaborate for Paramount apartment sales** – Just Real Estate (JRE) has teamed up with Al Asmakh Real Estate to promote Paramount Residences - Qatar's first Hollywood-inspired residential tower at The Pearl-Qatar, the company announced in a statement. JRE will undertake marketing and sales of Paramount. (Qatar Tribune)
 - **Msheireb Properties launches first residential unit for rent in MDD** – Msheireb Properties, Qatar's national real estate developer and a subsidiary of Qatar Foundation, has officially announced the launch of its first residential unit for rent in Msheireb Downtown Doha (MDD). Wadi 1 residential tower is located in Sikkat Wadi Msheireb, the centre of MDD and the longest pedestrian street there. (Gulf-Times.com)
- International**
- **Trade jitters running high at US companies ahead of new US-China talks** – Worries about the US-China trade war are running high during the current US quarterly reporting season, with companies as diverse as Juniper Networks and O'Reilly Automotive bemoaning the consequences but saying they are finding ways to weather the storm. Tariffs were mentioned in about a third of conference calls held by S&P 500 companies reporting their quarterly results through July 26, according to FactSet. The 71 firms flagging tariffs were up from the 50 companies discussing tariffs in the same time frame in the first-quarter season, but less than the 99 a year ago when tariffs were an emerging issue for US corporations. Many of those corporations outlined to investors their plans to minimize the impact of the trade war, which has added to uncertainty as they struggle with a sluggish global economy, including lackluster economies in Europe and Japan. (Reuters)
 - **UK mortgage lending perks up in Brexit lull, consumer credit softer** – Britain's housing market appeared to benefit from a brief lull in Brexit worries last month, Bank of England's (BoE) data showed, but consumer lending growth was the weakest in over five years, adding to the mixed signals coming from the economy. Uncertainty about Brexit has weighed on house prices, especially in London and southeastern England, since voters decided in June 2016 to leave the European Union. The BoE stated the number of mortgages approved for house purchase rose to 66,440 in June from 65,647 in May. That was the highest since January and above the average forecast from economists in a Reuters poll. Net mortgage lending, which typically lags behind approvals, also rose more than expected, up by 3.7bn Pounds in June. The BoE stated net lending to consumers in June alone rose by 1.046bn Pounds, again faster than forecast and stronger than in recent months. However, it is lower than the average monthly increase of around 1.5bn Pounds chalked up in the 12 months to June 2018 and the annual rate of lending growth slowed to 5.5% from May's 5.7%, the weakest since April 2014. (Reuters)
 - **Japan factory output tumbles most in nearly one-and-a-half years as trade war bites** – Japan's factory output tumbled the most in nearly one-and-a-half years in June, data showed, adding to a slew of indicators suggesting slowing global growth and the bruising US-China trade war were taking a toll on the export-reliant economy. The data comes hours before the conclusion of the Bank of Japan's two-day policy meeting, where the board is expected to scrutinize the impact overseas

risks could have on its view the economy will sustain a moderate recovery. Industrial output sank 3.6% in June, government data showed, more than a median market forecast for a 2.0% drop. It was the worst slump since January 2018, and followed a 2.0% rise in the previous month. Manufacturers surveyed by the government expect output to rise 2.7% in July and 0.6% in August, offering some hope that solid domestic demand will make up for some of the weakness in overseas shipments. Industrial output growth has been moving sideways, the government stated, keeping its assessment on factory output unchanged. On a QoQ basis, output rose 0.5% in the April-June period after dropping 2.5% in the first three months of this year. (Reuters)

- **Japan says GDP growth could slow to 0.9% on weakening global demand** – Japan's government slashed its economic growth forecast for this year largely due to weaker exports, in a sign the protracted US-China trade war is taking a bigger toll on the world's third-largest economy. But the forecast, which serves as a basis for compiling the state budget and the government's fiscal policy, was still nearly twice as high as private-sector projections. The economy is now expected to expand 0.9% in price-adjusted real terms in the fiscal year ending in March 2020, according to the Cabinet Office's projections, presented at the Council on Economic and Fiscal Policy - the government's top economic panel. That marked a downgrade from the government's previous forecast of 1.3% growth. The government estimated 1.2% growth for the following fiscal year starting April 2020. The government's growth projections are more bullish than those by the private sector. Market economists expect the economy to grow just 0.5% in the current fiscal year and in fiscal 2020, the Cabinet Office stated, due in part to contracting exports and the impact from a planned sales tax hike in October. (Reuters)
- **China launches low-tax pilot schemes to support SMEs** – China plans to allocate 2bn Yuan to a low-tax pilot scheme to bolster small and medium enterprises (SMEs) in urban areas, the official Xinhua news agency stated. SMEs have historically struggled to get financing in China as traditional banks rely less on complex risk assessments and more on securing assets for collateral, which many smaller firms lack. With recent closures of peer-to-peer lending platforms - which often financed SMEs - smaller firms have found it increasingly difficult to source funds as the economy continues to slide. (Reuters)

Regional

- **GCC equity markets perform strongly in 2Q2019 on better fiscal positions** – The overall performance of GCC equity markets was positive in the second quarter of 2019 with the MSCI GCC composite index gaining 0.5%, NBK Economic Research has stated in a report. Although most GCC markets like Qatar, Kuwait and Bahrain showed strength, the report stated, the composite index was weighed down by laggard performance in Saudi Arabia, Abu Dhabi and Oman. With a rise of 2.95% (YTD), Qatar was the third best performing stock market of the GCC region in the second quarter. Among the best performers of second quarter, Kuwait is also currently the best YTD performer, with gains of about 14.8% and 21% in the all-share and premier indices, respectively. Kuwait has benefited from a stable economy, good corporate earnings, and the MSCI-EM

index inclusion to be implemented in June 2020 subject to conditions, which lifted sentiment and attracted large foreign inflows. Kuwait's market also benefitted from being relatively undervalued at the start of the year compared to peer markets, the report stated. Oman, burdened by pending reforms and weak credit ratings, was the weakest performer, while Saudi Arabia's previous winning streak was snapped by geopolitical tensions, and possibly some profit-taking after gaining strongly in the first quarter of 19, and ended the second quarter nearly flat. Overall, the report stated, GCC markets benefited from improved fiscal positions and relatively low risk free returns, possibly boosting the risk premium of equity holdings, in addition to improved fiscal positions. Although GCC markets have mostly done well in the second quarter and with momentum expected to extend into the near-medium term, downside risk is present. Geopolitical tensions and oil price volatility may weigh on confidence, it said. According to the report, developed equity markets fared relatively well in the second quarter, outperforming emerging markets by a considerable margin. (Qatar Tribune)

- **GCC organizations need stronger resilience strategies in place** – Organizations in the GCC must make resilience an integral part of their threat mitigation strategy across the private sector and government services, to ensure that essential functions are restored after disruptive events, a report by Booz Allen Hamilton, has revealed. GCC organizations are already spending approximately \$3.5mn per year on identifying and restraining data security breaches, far ahead of the global average of \$2.1mn. Despite such enormous spends, GCC organizations take longer than their European counterparts to contain a breach, with the average reported time in the GCC standing at 260 days, compared to just 138 days in Europe. (Peninsula Qatar)
- **Saudi Arabian banks fall the most in two months after SAMA report** – An index tracking banking stocks in Saudi Arabia fell the most in more than two months after the Kingdom's Saudi Arabian Monetary Authority (SAMA), published a report showing that profitability and loan growth for the sector dropped in June. EFG-Hermes considers the decline is due to changes in reporting. The 8% decline in 2Q2019 profit for banks is likely due to a change in reporting, as profit will now be reported after tax and an Islamic levy called Zakat, according to EFG-Hermes Analyst, Shabbir Malik. He highlighted that the report published by SAMA, shows loan growth declining to 2.2% in June from 3.8% in May, while deposits grew 3.9% in June as compared to 4.8% in May. He considers that banks will restate their 1Q19 and 2Q18 numbers to make them comparable, while SAMA has not restated the preceding quarters. As Saudi Arabian banks start reporting results this week, focus should fall on net interest margin guidance and loan growth indicating potential signs of recovery in 2H2019. (Bloomberg)
- **Saudi Arabia's June bank assets rise 1.1% MoM and 5.2% YoY** – Saudi Arabian Monetary Authority (SAMA) published banking data, which showed that in June total bank assets rose to SR2,433.4bn from SR2,406.6bn in the previous month, representing a rise of 1.1% MoM. Total bank assets stood at

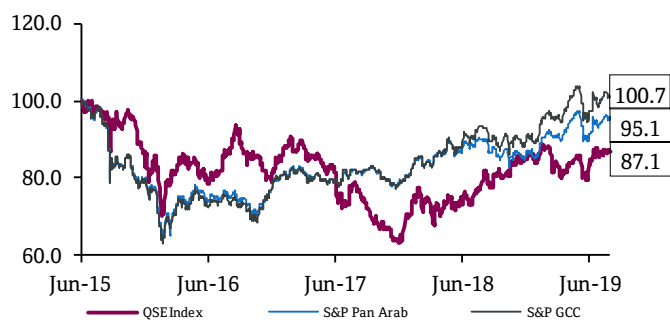
SR2,312.0bn in the same month a year ago, representing a rise of 5.2% YoY. (Bloomberg)

- **Saudi Arabia's ports authority issues license to Maersk to operate in all ports** – Saudi Ports Authority has issued a license to the local subsidiary of Maersk to operate in all ports in Saudi Arabia, state news agency SPA reported. Maersk currently has weekly containerized shipping services to the ports of Jeddah, King Abdullah, Dammam and Jubail, it stated on its website. (Reuters)
- **Abu Dhabi's Mubadala says assets grew by 80% to AED841bn in 2018** – Abu Dhabi state investor Mubadala Investment Co. stated that its assets under management rose 80% in 2018, as it continues to invest across sectors globally. The results are the first since Abu Dhabi Investment Council (ADIC), an investment arm of the Abu Dhabi government, joined Mubadala last year. Mubadala's assets under management totaled AED841bn last year compared to AED469bn in 2017, it stated. Total comprehensive income was AED12.5bn in 2018, up 21.3% from AED10.3bn in 2017, it stated. "The addition of the Abu Dhabi Investment Council was a transformational step, strengthening our position as an international investor across different sectors," Group Chief Executive and Managing Director of Mubadala, Khaldoon Khalifa Al-Mubarak said. As part of its diversification strategy, Mubadala invested AED70.1bn last year across existing investment sectors including technology, aerospace, commodities and financial services as well as new sectors such as medtech and agribusiness. Mubadala monetized mature assets worth AED55.4bn last year that included equity stakes in Advanced Micro Devices, EMI Music and Abu Dhabi Terminals. Unlisted Mubadala, which has stakes in General Electric and private equity firm Carlyle Group, among others, has committed \$15bn to the \$100bn SoftBank Vision Fund. It is assessing its commitment to Vision Fund II. However, the addition of ADIC is strengthening Mubadala's position as an international investor. "Technological disruption is creating the potential for value across all sectors, which is an opportunity for us to deepen our position as a major global investor," he said, adding they were also activating investments and relationships to establish Abu Dhabi as a regional technology hub. Mubadala reduced its corporate debt through a combination of repayments, new issuances and favorable exchange movements, it stated. (Reuters)
- **Kuwait 2018/19 budget gap narrows to \$11bn on higher oil** – Kuwait's budget deficit narrowed to \$11bn in the last fiscal year, down 31% from a year earlier on higher-than-anticipated crude prices and a rise in non-oil revenue, the Finance Ministry stated. Revenue in the year ended March 31 rose to KD20.56bn, while spending increased 13.5% to KD21.85bn, the ministry stated. Non-oil revenue jumped 24% to KD2.13bn. Non-oil revenue grew for the second consecutive year, capital expenditure remained 14% and is expected to reach 17% during the current fiscal year to stimulate economic growth, Finance Minister, Nayef Al-Hajraf said. Oil revenue rose 29% to KD18.4bn. Wages and subsidies accounted for 75% of all spending. By law 10% of revenue is transferred to the Future Generation Fund, managed by the Kuwait Investment Authority. Budget gap will be financed by withdrawals from the

state's treasury. Shortfall last year is Kuwait's fifth consecutive deficit. (Bloomberg)

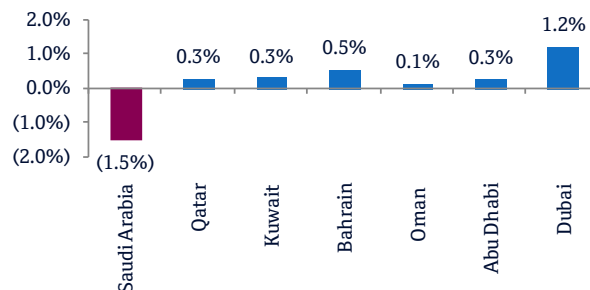
- **Kuwait's market regulator hires KAMCO to manage stock exchange share sale** – Kuwait's market regulator hired KAMCO Investment Co. to manage the Initial Public Offering (IPO) of the oil-rich nation's stock exchange. Boursa Kuwait is competing with Saudi Arabia's exchange to become the second in the six-nation GCC after the Dubai Financial Market to raise cash through an IPO. The market regulator in February sold a 44% stake in the bourse to a consortium comprising Athens Stock Exchange, National Investments, First Investment Co. and Arzan Financial Group. MSCI stated last month that it will add Kuwait to its main index tracking stocks in emerging markets next year, once some trading mechanisms are improved. Kuwait's main index has advanced about 28% this year. (Bloomberg)
- **AUB posts 1.1% YoY rise in net profit to \$184.7mn in 2Q2019** – Ahli United Bank (AUB) recorded net profit of \$184.7mn in 2Q2019, an increase of 1.1% YoY. Net interest income rose 3.8% YoY to \$246.9mn in 2Q2019. Operating income fell 0.5% YoY to \$318.2mn in 2Q2018. Total assets stood at \$38.0bn at the end of June 30, 2019 as compared to \$35.5bn at the end of December 31, 2018. Loans and advances stood at \$20.3bn (+4.1% YTD), while customers' deposits stood at \$23.6bn (-0.3% YTD) at the end of June 30, 2019. EPS remained unchanged YoY at \$0.019 in 2Q2019. (Bahrain Bourse)
- **BBK posts 10.4% YoY rise in net profit to BHD20.0mn in 2Q2019** – BBK recorded net profit of BHD20.0mn in 2Q2019, an increase of 10.4% YoY. Net interest and similar income rose 6.6% YoY to BHD28.4mn in 2Q2019. Total operating income fell 3.0% YoY to BHD38.8mn in 2Q2019. Total assets stood at BHD4.0bn at the end of June 30, 2019 as compared to BHD3.6bn at the end of December 31, 2018. Loans and advances to customers stood at BHD1.7bn (-6.7% YTD), while customers' current, savings and other deposits stood at BHD2.6bn (+11.5% YTD) at the end of June 30, 2019. Basic and diluted EPS came in at BHD0.014 in 2Q2019 as compared to BHD0.013 in 2Q2018. (Bahrain Bourse)
- **Bahrain sells BHD70mn 91-day bills; bid-cover at 1.03x** – Bahrain sold BHD70mn of 91 day bills due on October 30, 2019. Investors offered to buy 1.03 times the amount of securities sold. The bills were sold at a price of 99.226, having a yield of 3.08% and will settle on July 31, 2019. (Bloomberg)

Rebased Performance



Source: Bloomberg

Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,426.80	0.6	0.6	11.3
Silver/Ounce	16.46	0.4	0.4	6.2
Crude Oil (Brent)/Barrel (FM Future)	63.71	0.4	0.4	18.4
Crude Oil (WTI)/Barrel (FM Future)	56.87	1.2	1.2	25.2
Natural Gas (Henry Hub)/MMBtu	2.23	(1.3)	(1.3)	(30.0)
LPG Propane (Arab Gulf)/Ton	48.88	0.5	0.5	(23.6)
LPG Butane (Arab Gulf)/Ton	49.25	1.0	1.0	(29.1)
Euro	1.11	0.2	0.2	(2.8)
Yen	108.78	0.1	0.1	(0.8)
GBP	1.22	(1.3)	(1.3)	(4.2)
CHF	1.01	0.2	0.2	(1.0)
AUD	0.69	(0.1)	(0.1)	(2.1)
USD Index	98.04	0.0	0.0	1.9
RUB	63.44	0.1	0.1	(9.0)
BRL	0.26	(0.1)	(0.1)	2.6

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	2,212.50	(0.1)	(0.1)	17.4
DJ Industrial	27,221.35	0.1	0.1	16.7
S&P 500	3,020.97	(0.2)	(0.2)	20.5
NASDAQ 100	8,293.33	(0.4)	(0.4)	25.0
STOXX 600	390.85	0.2	0.2	12.6
DAX	12,417.47	0.1	0.1	14.5
FTSE 100	7,686.61	0.5	0.5	9.5
CAC 40	5,601.10	0.0	0.0	15.2
Nikkei	21,616.80	(0.3)	(0.3)	9.6
MSCI EM	1,045.72	(0.3)	(0.3)	8.3
SHANGHAI SE Composite	2,941.01	(0.3)	(0.3)	17.7
HANG SENG	28,106.41	(1.1)	(1.1)	8.9
BSE SENSEX	37,686.37	(0.3)	(0.3)	5.9
Bovespa	103,482.60	0.0	0.0	20.3
RTS	1,353.61	0.4	0.4	26.7

Source: Bloomberg (*\$ adjusted returns)

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