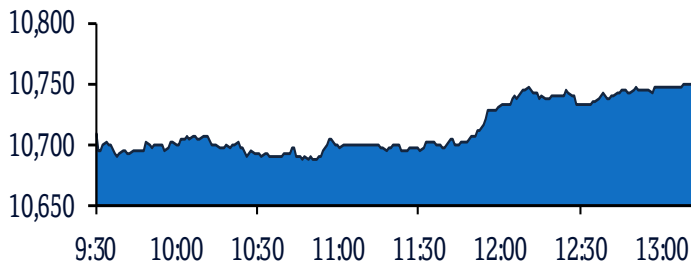


## QSE Intra-Day Movement



## Qatar Commentary

The QE Index rose 0.7% to close at 10,749.1. Gains were led by the Industrials and Banks & Financial Services indices, gaining 1.1% and 0.7%, respectively. Top gainers were Qatari German Co. for Medical Devices and Qatari Investors Group, rising 10.0% and 6.0%, respectively. Among the top losers, Qatar Cinema & Film Distribution fell 5.4%, while Qatar General Ins. & Reins. Co. was down 2.4%.

## GCC Commentary

**Saudi Arabia:** The TASI Index gained 0.4% to close at 10,996.4. Gains were led by the Telecommunication Services and Consumer Durables & Apparel indices, rising 1.0% and 0.9%, respectively. Gulf General Cooperative Insurance Co. rose 10.0%, while Saudi Real Estate Co. was up 8.4%.

**Dubai:** The DFM Index fell 0.4% to close at 2,827.7. The Services index declined 1.2%, while the Investment & Financial Services index fell 1.1%. Emirates Refreshments Co. declined 5.6%, while AL SALAM Sudan was down 2.3%.

**Abu Dhabi:** The ADX General Index gained 0.2% to close at 6,763.1. The Banks index rose 0.5%, while the Energy index gained 0.4%. Gulf Cement Co. rose 14.9%, while Union Insurance Co. was up 13.3%.

**Kuwait:** The Kuwait All Share Index gained 0.2% to close at 6,487.4. The Financial Services index rose 1.1%, while the Technology index gained 0.9%. Al Arabi Group Holding Co. rose 33.3%, while National Consumer Holding Co. was up 21.0%.

**Oman:** The MSM 30 Index gained marginally to close at 4,058.1. Gains were led by the Financial and Services indices, rising 0.3% each. Dhofar Insurance rose 9.4%, while National Aluminum Products Co. was up 8.1%.

**Bahrain:** The BHB Index gained 0.6% to close at 1,596.1. The Commercial Banks index rose 1.0%, while the Investment index gained 0.3%. GFH Financial Group rose 1.9%, while Al-Salam Bank-Bahrain was up 1.4%.

Market Indicators	29 Jun 21	28 Jun 21	%Chg.
Value Traded (QR mn)	430.0	351.8	22.2
Exch. Market Cap. (QR mn)	623,244.1	618,243.3	0.8
Volume (mn)	214.3	181.4	18.1
Number of Transactions	11,020	8,888	24.0
Companies Traded	46	48	(4.2)
Market Breadth	34:10	8:37	-

Market Indices	Close	1D%	WTD%	YTD%	TTM P/E
Total Return	21,278.51	0.7	(0.1)	6.1	18.2
All Share Index	3,412.20	0.7	(0.2)	6.7	18.9
Banks	4,517.24	0.7	0.1	6.3	15.7
Industrials	3,584.71	1.1	0.2	15.7	27.6
Transportation	3,360.43	0.3	(0.0)	1.9	21.6
Real Estate	1,779.52	0.7	(0.5)	(7.7)	16.9
Insurance	2,622.80	0.0	(1.2)	9.5	23.3
Telecoms	1,074.64	0.5	(2.8)	6.3	28.5
Consumer	8,054.58	0.2	(1.2)	(1.1)	27.0
Al Rayan Islamic Index	4,529.47	0.5	(0.4)	6.1	19.4

GCC Top Gainers##	Exchange	Close#	1D%	Vol. '000	YTD%
Saudi Arabian Mining Co.	Saudi Arabia	62.30	4.0	3,185.4	53.8
Alinma Bank	Saudi Arabia	21.04	2.7	18,914.0	30.0
Ezdan Holding Group	Qatar	1.64	2.0	7,715.0	(7.8)
Arab National Bank	Saudi Arabia	22.64	1.8	2,191.9	12.6
Riyad Bank	Saudi Arabia	26.65	1.7	1,133.4	31.9

GCC Top Losers##	Exchange	Close#	1D%	Vol. '000	YTD%
National Petrochemical C	Saudi Arabia	43.50	(1.1)	775.5	30.8
Emirates NBD	Dubai	13.40	(1.1)	2,626.4	30.1
Bupa Arabia for Coop. Ins	Saudi Arabia	127.00	(1.1)	89.5	3.9
Sohar International Bank	Oman	0.10	(1.0)	916.7	5.5
Emaar Malls	Dubai	2.05	(1.0)	3,963.7	12.0

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

QSE Top Gainers	Close*	1D%	Vol. '000	YTD%
Qatari German Co for Med. Dev.	2.55	10.0	10,511.7	13.8
Qatari Investors Group	2.49	6.0	3,606.8	37.5
Qatar Oman Investment Company	0.99	4.8	10,213.9	11.0
Aamal Company	0.97	3.1	9,944.8	13.5
Investment Holding Group	1.04	3.1	15,409.0	73.6

QSE Top Volume Trades	Close*	1D%	Vol. '000	YTD%
Salam International Inv. Ltd.	0.95	1.7	53,344.0	45.3
Qatar Aluminium Manufacturing Co	1.50	1.9	16,936.8	55.1
Mazaya Qatar Real Estate Dev.	1.07	0.8	15,877.4	(15.0)
Investment Holding Group	1.04	3.1	15,409.0	73.6
Aljarah Holding	1.16	(0.3)	12,069.9	(6.9)

QSE Top Losers	Close*	1D%	Vol. '000	YTD%
Qatar Cinema & Film Distribution	3.78	(5.4)	15.8	(5.3)
Qatar General Ins. & Reins. Co.	2.05	(2.4)	53.4	(22.9)
Al Meera Consumer Goods Co.	19.21	(1.4)	231.2	(7.2)
Qatar First Bank	1.89	(0.6)	5,967.7	9.8
Zad Holding Company	15.65	(0.3)	1.5	15.5

QSE Top Value Trades	Close*	1D%	Val. '000	YTD%
Salam International Inv. Ltd.	0.95	1.7	49,293.7	45.3
QNB Group	18.08	1.0	30,521.3	1.4
Qatar Islamic Bank	17.29	0.1	27,306.4	1.1
Qatari German Co for Med. Dev.	2.55	10.0	25,495.5	13.8
Qatar Aluminum Manufacturing	1.50	1.9	25,151.9	55.1

Source: Bloomberg (\* in QR)

Regional Indices	Close	1D%	WTD%	MTD%	YTD%	Exch. Val. Traded (\$ mn)	Exchange Mkt. Cap. (\$ mn)	P/E**	P/B**	Dividend Yield
Qatar*	10,749.11	0.7	(0.1)	0.0	3.0	116.37	168,151.3	18.2	1.6	2.7
Dubai	2,827.71	(0.4)	(1.0)	1.1	13.5	43.89	106,132.9	21.5	1.0	2.8
Abu Dhabi	6,763.08	0.2	2.8	3.1	34.0	383.44	263,940.6	23.0	1.9	3.6
Saudi Arabia	10,996.38	0.4	0.7	4.2	26.5	3,263.39	2,603,041.4	36.3	2.4	1.9
Kuwait	6,487.41	0.2	0.4	4.5	17.0	211.86	123,148.9	41.3	1.7	2.0
Oman	4,058.08	0.0	0.3	5.3	10.9	12.74	18,471.5	14.3	0.8	3.9
Bahrain	1,596.05	0.6	1.1	4.5	7.1	2.61	24,458.0	27.4	1.1	2.1

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

## Qatar Market Commentary

- The QE Index rose 0.7% to close at 10,749.1. The Industrials and Banks & Financial Services indices led the gains. The index rose on the back of buying support from foreign shareholders despite selling pressure from Qatari, GCC and Arab shareholders.
- Qatari German Co for Medical Devices and Qatari Investors Group were the top gainers, rising 10.0% and 6.0%, respectively. Among the top losers, Qatar Cinema & Film Distribution fell 5.4%, while Qatar General Ins. & Reins. Co. was down 2.4%.
- Volume of shares traded on Tuesday rose by 18.1% to 214.3mn from 181.4mn on Monday. Further, as compared to the 30-day moving average of 171.8mn, volume for the day was 24.7% higher. Salam International Inv. Ltd. and Qatar Aluminum Manufacturing Co. were the most active stocks, contributing 24.9% and 7.9% to the total volume, respectively.

Overall Activity	Buy %*	Sell %*	Net (QR)
Qatari Individuals	40.67%	45.40%	(20,328,440.2)
Qatari Institutions	11.72%	23.00%	(48,536,075.7)
<b>Qatari</b>	<b>52.39%</b>	<b>68.40%</b>	<b>(68,864,515.9)</b>
GCC Individuals	0.43%	0.69%	(1,115,208.5)
GCC Institutions	1.57%	1.34%	1,002,480.1
<b>GCC</b>	<b>2.00%</b>	<b>2.03%</b>	<b>(112,728.4)</b>
Arab Individuals	16.29%	16.60%	(1,321,443.1)
Arab Institutions	0.00%	0.05%	(200,720.0)
<b>Arab</b>	<b>16.29%</b>	<b>16.65%</b>	<b>(1,522,163.1)</b>
Foreigners Individuals	3.75%	4.98%	(5,278,978.1)
Foreigners Institutions	25.57%	7.95%	75,778,385.5
<b>Foreigners</b>	<b>29.32%</b>	<b>12.93%</b>	<b>70,499,407.4</b>

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

## Global Economic Data and Earnings Calendar

### Global Economic Data

Date	Market	Source	Indicator	Period	Actual	Consensus	Previous
06/29	UK	Bank of England	M4 Money Supply YoY	May	7.3%	-	9.1%
06/29	UK	Bank of England	Money Supply M4 MoM	May	0.4%	-	0.1%
06/29	EU	European Commission	Consumer Confidence	Jun	-3.3	-	-3.3
06/29	Germany	German Federal Statistical Office	CPI MoM	Jun	0.4%	0.4%	0.5%
06/29	Germany	German Federal Statistical Office	CPI YoY	Jun	2.3%	2.4%	2.5%
06/29	France	INSEE National Statistics Office	Consumer Confidence	Jun	102	100	98

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

### Earnings Calendar

Tickers	Company Name	Date of reporting 2Q2021 results	No. of days remaining	Status
QNBK	QNB Group	11-Jul-21	11	Due
QFLS	Qatar Fuel Company	11-Jul-21	11	Due
MARK	Masraf Al Rayan	13-Jul-21	13	Due
QIBK	Qatar Islamic Bank	14-Jul-21	14	Due
QEWS	Qatar Electricity & Water Company	14-Jul-21	14	Due
NLCS	Aljarah Holding	15-Jul-21	15	Due
ABQK	Ahli Bank	15-Jul-21	15	Due
DHBK	Doha Bank	27-Jul-21	27	Due

Source: QSE

## News

### Qatar

- **S&P assigns Qatar Petroleum's proposed debut bonds 'AA-'** – S&P Global Ratings today assigned its 'AA-' long-term foreign currency rating to the proposed four-tranche, debut, benchmark-size US dollar-denominated senior unsecured bonds to be issued by Qatar Petroleum (AA-/Stable/--). (Bloomberg)
- **ABQK sells \$500mn of 5-year senior bonds** – Ahli Bank (ABQK) sold \$500mn of five-year senior bonds at 125 basis points (bps) over mid-swaps, a document from one of the banks on the deal showed on Tuesday. The spread was tightened from initial price guidance of around 150 basis points over mid-swaps after Ahli Bank received more than \$1.35bn in orders for the debt sale, the document showed. Barclays, QNB Capital, JPMorgan Securities, Mizuho Securities and Standard Chartered arranged the deal. The debt sale follows a \$1bn senior sukuk offering by Dubai Islamic Bank, the UAE largest Islamic lender earlier this month. (Reuters)
- **VFQS to relocate to new headquarters** – Vodafone Qatar (VFQS) is relocating to its new headquarters to Msherieb Downtown Doha. (QSE)
- **MARK to disclose its semi-annual financial results on July 13** – Masraf Al-Rayan (MARK) will disclose its financial statement for the period ending June 30, 2021 on July 13, 2021. (QSE)
- **Ooredoo invests QR77m on community development initiatives** – Ooredoo, Qatar's leading communications company, has spent QR77mn on community investments last year, according to its Environmental, Social and Governance Report 2020. Every year, the company organizes many community development program and activities. The events include free medical camps, environment protection and awareness program, sport events and other initiatives for people in need. "Ooredoo Qatar has a long history of working with communities, with a special focus on medical support and sports. We have been working with the Qatar Social Development Centre since 1996, supporting their Sama Nama initiative, targeting people with special needs and their families, which was particularly crucial during the COVID-19 pandemic," said the company in the report. "We also have a close partnership with the Qatar Cancer Society, supporting their work towards cancer prevention through a dedicated 'Ooredoo Cancer Awareness Centre' since 2014. Besides, we also continue to support the Fahad Bin Jassim Kidney Centre at the Hamad Medical Corporation, which provides dialysis facilities for 400 patients every week who suffer from kidney disease," it added. (Peninsula Qatar)
- **PSA: Hydrocarbons drives Qatar industrial sector in May** – A more-than-doubled average price in the hydrocarbons and a rebound in the manufacturing sector substantially lifted the prospects of Qatar's industrial sector in May 2021, according to official estimates. Qatar's PPI or producers price index – a measure of the average selling prices received by the domestic producers for their output – registered 92.1% and 7.5% expansion on yearly and monthly basis respectively, according to figures released by the Planning and Statistics Authority (PSA). The PSA had released a new PPI series in late 2015. With a base of 2013, it draws on an updated sampling frame and new weights. The previous sampling frame dates from 2006, when the Qatari economy was much smaller than today and the range of products made domestically much narrower. The mining PPI, which carries the maximum weight of 72.7%, reported a robust 117.2% surge YoY in May 2021 as the selling price of crude petroleum and natural gas was seen soaring a huge 117.9%; even as that of stone, sand and clay declined 6.1%. The mining PPI registered an 8.8% increase on a monthly basis in May this year on the back of a 9% expansion in the selling price of crude petroleum and natural gas and 0.6% in stone, sand and clay. The manufacturing sector, which has a weight of 26.8% in the PPI basket, witnessed a 58.9% growth YoY in May 2021 on a 74.6% surge in the average price of refined petroleum products, 66.8% in basic chemicals, 26.8% in basic metals, 15.3% in paper and paper products, 8.5% in rubber and plastics products, 3.7% in juices and 0.4% in dairy products. Nevertheless, there was a 8.1% shrinkage in the price of cement and other non-metallic mineral products, 1.1% in beverages, 0.7% in grain mill and other products and 0.4% in other chemical products and fibers. The manufacturing sector PPI had seen a monthly 5.2% expansion in May 2021 as the average selling price of basic chemicals shot up 8.6%, rubber and plastics products (5.4%), refined petroleum products (4.6%), paper and paper products (4.5%), basic metals (3.6%), juices 91.2% and dairy products (0.6%). However, the average prices of cement and other non-metallic mineral products declined 1.1%, beverages (0.7%) and grain mill and other products (0.2%). The utilities group, which has a mere 0.5% weightage in the PPI basket, saw its index soar 7% YoY because there was a 17.2% increase in the average selling price of water, even as that of electricity was down 1.3% in May 2021. The index had however seen a 5.1% contraction MoM this May with the average selling price of electricity and water plummeting 7.9% and 2.2% respectively. (Gulf-Times.com)
- **Electric buses to serve World Cup 2022 arrive** – Minister of Transport and Communications HE Jassim bin Saif Al Sulaiti inaugurated the pilot operation of Mowasalat (Karwa) electric bus charging station, in the presence of Secretary-General of the Supreme Committee for Delivery and Legacy Hassan Abdulla Al Thawadi, President of the Public Works Authority (Ashghal) and Mowasalat (Karwa) Chairman HE Saad bin Ahmed Al Muhannadi, President of Qatar General Electricity & Water Corporation (Kahramaa) HE Essa bin Hilal Al Kuwari, and Ambassador of the People's Republic of China to the State of Qatar HE Zhou Jian, and several officials and representatives of private sector companies. The inauguration comes with the arrival of the first batch of eco-friendly and quiet buses, which Mowasalat will use within its transport system. It complements the Ministry of Transport and Communications (MoTC) electric vehicles strategy in collaboration with the concerned authorities, which aims to support the State's green future. (Peninsula Qatar)
- **Qatar continues preparations for International Horticultural Expo 2023 in Doha** – Qatar, represented by the Ministry of Municipality and Environment, participated in the 168th General Assembly for Bureau International des Expositions (BIE), which was held via video conference. The State of Qatar was represented in the meeting by Secretary General of the International Horticultural Expo 2023 Doha and Director of the Public Parks Department at the Ministry of Municipality and Environment, Eng. Muhammad Ali Al Khouri. HE Ambassador of the State of Qatar to the French Republic Sheikh Ali bin Jassim Al-Thani said in an opening speech during the general assembly that work is ongoing in Qatar to host the Expo 2023, despite the negative impact of the Coronavirus (COVID-19). For his part, Al Khouri discussed the latest developments related to the Expo, noting that the event will contribute to providing the basis for potential investments in innovative agricultural technologies, and will increase environmental awareness worldwide, in addition to supporting the reclamation of dry land to agricultural areas. (Gulf-Times.com)

- **4 metrolink services to resume Wednesday** – Qatar Rail has announced that the resumption of services on some metrolink feeder bus routes from Wednesday. "From June 30, 2021, metrolink will resume service on four selected routes," Qatar Rail announced on its Doha Metro & Lusail Tram Twitter page on Tuesday. These routes are Al Wakra (M132), Oqba Ibn Nafie (M123), Umm Ghuwailina (M139) and Al Doha Al Jadeda (M114). One can visit qr.com.qa or download the Qatar Rail app for further information. On Monday, Qatar Rail had announced an expansion of the metroexpress feeder services to and from Legtaifiya station. "Metroexpress connects you to Fox Hills South in Lusail," it said in a tweet. metroexpress is a free, on-demand ride-sharing service. (Gulf-Times.com)
- **Qatar Swimming Association prepares to host GCC Aquatics Championships** – Qatar Swimming Association started its preparations to host the 28th Gulf Cooperation Council (GCC) Aquatics Championships, which will be held from August 19-22 at Hamad Aquatics Centre. In this context, the championship organizing committee held a meeting headed by Secretary General of Qatar Swimming Association Talal Al Darwish, in the presence of board members and heads of committees working on the championship, to discuss the preparations and arrangements for the event. The 28th GCC Aquatics Championships was scheduled to take place last year 2020 before the GCC Swimming organizing committee decided to move the championship to this year due to the Covid-19 pandemic. (Gulf-Times.com)
- **Qatar Airways and Alaska Airlines to further strengthen partnership** – Qatar Airways has announced that it has signed a codeshare agreement with the newest member of Oneworld, Alaska Airlines, further strengthening its position as the ideal choice for international passengers travelling to and from the US. Qatar Airways will be Alaska Airlines' only Middle East partner, providing "seamless connectivity" between the US carrier's hubs and the Gulf carrier's global network of more than 140 destinations via the Best Airport in the Middle East, Hamad International Airport in Doha. (Gulf-Times.com)

#### International

- **US consumer confidence at 16-month high; house price inflation heating up** – US consumer confidence jumped to its highest level in nearly 1-1/2 years in June as growing labor market optimism amid a reopening economy offset concerns about higher inflation. The survey from the Conference Board on Tuesday also showed a healthy appetite for long-lasting manufactured goods such as motor vehicles and household appliances, suggesting strong momentum in the economy as the second quarter ended. Consumers were also keen to purchase homes, a sign that house prices will continue to rapidly increase as supply lags. Many intended to go on vacation, mostly in the US, over the next six months, which should boost demand for services and add fuel to consumer spending. The Conference Board's consumer confidence index raced to a reading of 127.3 this month, the highest level since February 2020, from 120.0 in May. Economists polled by Reuters had forecast the index at 119.0. The survey places more emphasis on the labor market, which is steadily recovering. More than 150mn Americans have been fully vaccinated against the coronavirus, allowing for broader economic re-engagement. The survey's present situation measure, based on consumers' assessment of current business and labor market conditions, increased to 157.7 from 148.7 last month. The expectations index, based on consumers' short-term outlook for income, business and labor market conditions, rose to 107.0 from 100.9. (Reuters)
- **Nationwide: UK house prices jump by 13.4% in 12 months to June** – British house prices rose by 13.4% in June compared with the same month last year, the biggest annual increase since November 2004, mortgage lender Nationwide said on Tuesday. In monthly terms, house prices were 0.7% higher than in May, Nationwide said. Economists polled by Reuters had expected prices to rise by 13.7% in annual terms and by 0.7% from May. (Reuters)
- **German inflation slows but remains above ECB target in June** – Germany's annual consumer price inflation eased in June, but remained above the European Central Bank's target of close to but below 2%, the Federal Statistics Office said on Tuesday. Consumer prices, harmonized to make them comparable with inflation data from other European Union countries, rose by 2.1% in June, down from 2.4% in May. The June reading was in line with a Reuters forecast. The national consumer price index (CPI) slowed to 2.3% in June from 2.5% in May. Germany's preliminary inflation data does not include a harmonized figure for core inflation which strips out more volatile index components such as energy and food costs. But a breakdown of the non-harmonized data showed that energy and food inflation rose a little less strongly in June while prices for rents and goods accelerated at the same pace. The German central bank earlier this month lifted its inflation forecast to 2.6% this year, which would be the highest since 2008. (Reuters)
- **Japan's May factory output records biggest drop in a year** – Japan's industrial output posted the biggest monthly drop in a year in May, as a sharp fall in car production threatened to undermine the country's economic recovery just weeks before Tokyo is set to host the Olympic Games. The world's third-largest economy will likely grow at a much slower pace than initially thought in the current quarter in part due to weakness in consumer spending, a poll by economists showed this month. Factory output slumped 5.9% in May from the previous month, official data showed on Wednesday, hit by declines in the manufacturing of cars and production machinery to post its largest monthly drop since May last year. The contraction, which was the first drop in three months, was much weaker than a 2.4% fall forecast in a Reuters poll of economists. It followed a 2.9% gain in the previous month. Output was weighed by a 19.4% drop in motor vehicle production, largely due to supply issues with semiconductor chips, the Ministry of Economy, Trade and Industry (METI) said. The car industry has a big impact on Japan's overall economy. Manufacturers of intermediate goods, such as tires and electrical lighting of passenger cars, are taking a hit from declines in motor vehicle production. Manufacturers said they expected output to rebound 9.1% in June and drop 1.4% in July, though those forecasts may not fully take the global semiconductor supply issue into account, a trade ministry official said. (Reuters)
- **Official PMI: Growth in China's services sector slows in June** – Activity in China's services sector grew at a slower pace in June, official data showed on Wednesday as COVID-19 curbs from a resurgence in cases in Southern China restrained a rebound in consumption. The official non-manufacturing Purchasing Managers' Index (PMI) fell to 53.5 in June from 55.2 in May, data from the National Bureau of Statistics (NBS) showed. The 50-point mark separates growth from contraction on a monthly basis. Analysts say China's economic recovery is moving in a more even direction, as the consumption and service sectors are catching up to exports and manufacturing. The official June composite PMI, which includes both manufacturing and services activity, fell to 52.9 from May's 54.2. (Reuters)
- **China manufacturing slows as supply shortages roil Asia industry** – Growth in China's June factory activity dipped to a four-month low on higher raw material costs, a shortage of semiconductors and a COVID-19 outbreak in the major export



province of Guangdong, amid wider supply chain disruptions in Asia. The chip supply crunch has hammered other manufacturing powerhouses in Asia. Industrial output in Japan and South Korea slumped in May from the previous month as auto production declined due to semiconductor shortages, adding to concerns of flagging momentum in their respective economies. China's June official manufacturing Purchasing Manager's Index (PMI) eased slightly to 50.9 versus 51.0 in May, data from the National Bureau of Statistics showed on Wednesday. It, however, exceeded analysts' forecast for a slowdown to 50.8. It remained above the 50-point mark that separates growth from contraction on a monthly basis. The sub-index for production eased to 51.9, a four-month low, from 52.7 the previous month. Zhao Qinghe, a senior statistician at the NBS, attributed the slowdown in production to constraining factors such as a shortage of semiconductors, inadequate coal supply, a power crunch and maintenance of equipment. A shortage of coal supply in China's southern regions, which started in mid-May, hit factory operations though the government has said the power crunch should ease soon. New export orders fell for a second consecutive month in June and at a faster pace, likely due to the global resurgence of COVID-19 variants, forcing some countries to reimpose lockdowns. A sub-index for raw material costs in the official PMI stood at 61.2 in June, compared with May's 72.8, as the government cracked down on high raw material prices. Growth in new orders, however, picked up, as domestic demand improved. (Reuters)

#### Regional

- **OPEC bullish on oil market recovery; virus variants pose risk** – Global oil demand will rebound strongly in the second half of 2021 with oil inventories shrinking, OPEC's chief and experts said on Tuesday while warning that coronavirus variants pose a risk to the recovery. The OPEC and allies led by Russia, together known as OPEC+, meet on Thursday and sources and market watchers have said they expect the group to discuss a further gradual easing of existing oil production curbs from August. OPEC watchers have said the group could boost output by more than 1mn bpd, a more modest 0.5mn bpd or even leave production levels unchanged. OPEC+ sources said no unanimous decision or recommendation emerged from OPEC+ expert consultations on Tuesday. OPEC+ will now hold the joint ministerial monitoring committee (JMMC) meeting on July 1, a day after it was previously planned, a letter seen by Reuters showed. Demand in 2021 was expected to grow by 6mn bpd, with 5mn bpd of that in the second half, OPEC Secretary General, Mohammad Barkindo told Tuesday's meeting of experts, known as the Joint Technical Committee. (Reuters)
- **OPEC+ delays talks as Ministers seek compromise** – OPEC and its allies delayed preliminary talks between ministers by a day to allow countries more time to find a compromise before a critical meeting, according to two delegates. The coalition led by Saudi Arabia and Russia is considering whether to continue reviving more halted crude supplies as global demand bounces back from the pandemic. (Bloomberg)
- **Saudi Arabia plans new national airline as it diversifies from oil** – Saudi Arabia's Crown Prince, Mohammed bin Salman announced plans on Tuesday to launch a second national airline as part of a broader strategy to turn the kingdom into a global logistics hub as it seeks to diversify from oil. The creation of another flag carrier would catapult Saudi Arabia into the 5th rank globally in terms of air transit traffic, official state media reported, without giving details on when and how the airline would be created. Prince Mohammad has been spearheading a push for Saudi Arabia, the biggest Arab economy and the largest country in the Gulf geographically, to boost non-oil revenues to about SR45bn by 2030. Making the

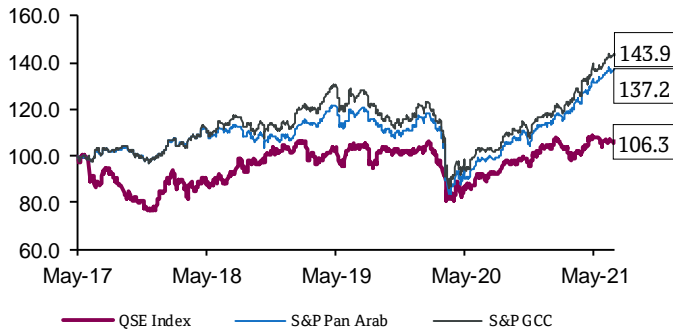
Kingdom a global logistics hub, which includes the development of ports, rail and road networks, would increase the transport and logistics sector's contribution to gross domestic product to 10% from 6%, state news agency SPA said. (Reuters)

- **Saudi Aramco seeks financing advisor for gas pipeline deal** – Saudi Aramco has invited banks to pitch for an advisory role to help finance the sale of a significant minority stake in its gas pipelines, the oil giant's second major midstream deal after a \$12.4bn deal for oil pipelines, three sources said. Aramco has already hired Morgan Stanley as an M&A advisor and the financing advisory role is up for grabs among banks, two of the sources said. The gas pipeline stake sale will be a "copy paste" of the oil pipeline deal, one of the sources said. Aramco has used a lease and lease-back agreement to sell a 49% stake of newly formed Aramco Oil Pipelines Co to the buyer and rights to 25 years of tariff payments for oil carried on its pipelines. The pipeline deal was backed by nearly \$11bn in debt underwritten by eight banks and subsequently syndicated to an additional 10 banks, two sources told Reuters earlier. Japanese lender MUFG had advised on the financing for the oil pipeline assets and was in a strong position for the new role though Aramco has not made any decision yet, the two sources said. Aramco's sale of a minority stake in its oil pipelines for \$12.4bn to a consortium led by EIG Global Energy Partners was its largest deal since a record \$29.4bn initial public offering in late 2019. The deal closed on June 20. The financing for that deal is expected to be taken out by bonds across two or three deals, with the first expected in the first quarter of 2022. The gas pipelines deal financing is also expected to be taken out with bonds, one of the sources said. The structure follows similar deals by Abu Dhabi National Oil Co (ADNOC), which has raised billions of dollars through sale-and-leaseback deals of its oil and gas pipeline assets. (Reuters)
- **Saudi Aramco starts oil bunkering operations at Yanbu Port** – Aramco Trading Co., a subsidiary of Saudi Aramco, has started oil-bunkering operations at Yanbu industrial port on the Red Sea coast, Aramco said in a statement Tuesday. ATC has commissioned a 6,000 deadweight tonnage barge, the MT Halki. Its first delivery of 1,600 metric tons of very low sulphur fuel oil will be to MT Lake Trout. "ATC maintains storage and blending facilities at Yanbu capable of supplying up to 150,000 MT of bunker supplies per month, with the potential for further upscaling." (Bloomberg)
- **Sempra says pact with Saudi Aramco for Port Arthur LNG expired** – Sempra's non-binding 20-year agreement to sell LNG from its Port Arthur export project in Texas to Saudi Aramco has expired, Sempra says in investor webcast. It has reiterated that Port Arthur will not reach FID this year. Port Arthur project being reevaluated for design changes to rely on electric drives for power and renewable sourcing for the plant. Expects to reduce facility emissions by 60-65%. Cameron LNG expansion might leapfrog sanctioning of Port Arthur: Sempra. Energia Costa Azul LNG Phase 1 export project in Mexico is a top priority for Sempra. (Bloomberg)
- **SRC signs accord with Arab National Bank to buy housing finance portfolio** – The Saudi Real Estate Refinance Co (SRC), a unit of the Public Investment Fund, has signed a partnership agreement with Arab National Bank to buy its housing finance portfolio. SRC said the agreement is the latest among several partnerships with banks and real estate finance companies which could help home financing originators to effectively manage risks, liquidity and capital adequacy requirements. (Reuters)
- **Emaar Properties secures \$500mn via Islamic bonds** – Emaar Properties (EMAAR), Dubai's largest listed property developer, sold \$500mn in 10-year Sukuk, or Islamic bonds, at

3.7% on Tuesday after they drew more than \$3.3bn in orders, a document showed. The sukuk were tightened from an initial price guidance of around 4.25%, a document from one of the banks in the deal showed. Dubai Islamic Bank (DISB.DU), Emirates NBD Capital (ENBD), First Abu Dhabi Bank (FAB), Mashreqbank (MASB) and Standard Chartered arranged the deal. Reuters reported early this month that Emaar had hired banks to arrange a dollar Sukuk sale. The builder of the world's tallest building, Dubai's Burj Khalifa, last issued international bonds in 2019, raising \$500mn via Sukuk. (Reuters)

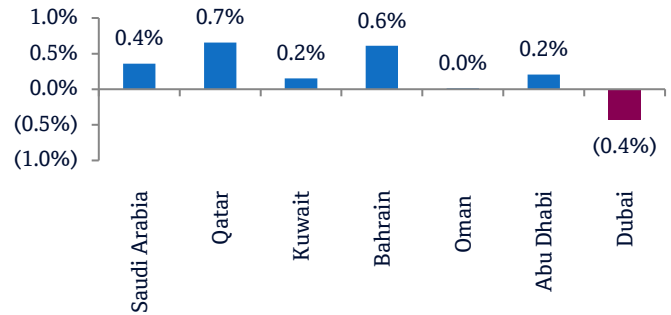
- **India's Reliance and ADNOC join forces in chemical project**  
– Indian refining giant Reliance Industries has signed an agreement with Abu Dhabi National Oil Co (ADNOC) to build a multi-billion-dollar chemical project in Ruwais, marking the group's first investment in a greenfield overseas project. Reliance, which operates the world's biggest refining complex at Jamnagar in western India, is becoming more international in its focus. Previously, it has bought stakes in some overseas explorations and manufacturing assets. "This is a significant step in globalizing Reliance's operations, and we are proud to partner with ADNOC in this important project for the region," the Chairman of Indian oil-to-telecom conglomerate, Mukesh Ambani said. In a joint statement, Reliance and ADNOC said they expected final investment decisions for the projects and awards of related engineering contracts to be taken in 2022. A source familiar with the matter said the project could cost \$2.1bn. The planned project at TA'ZIZ Industrial complex will have a capacity to produce 940,000 tons of chlor-alkali, 1.1mn tons of ethylene dichloride and 360,000 tons of PVC annually, the statement said. Reliance and ADNOC had signed a memorandum of understanding in 2019 to build Ethylene Dichloride facility in Ruwais. (Reuters)
- **Mubadala-owned Yahsat's IPO book fully covered** – Abu Dhabi satellite company Yahsat has attracted enough investor demand to cover the order book for its initial public offering, sources told Reuters on Tuesday, as the company looks to raise as much as \$810mn. Yahsat, which is owned by Abu Dhabi state fund Mubadala Investment Co, had its books covered on an offer size of 40% of the company, said the sources, declining to be named as the matter is not public. Subscriptions for the first major IPO in Abu Dhabi since 2017 will continue until July 8. (Reuters)
- **IHC unit buys 11.25% of total issued shares of Emirates Driving** – International Holding's (IHC) unit, Multiply Marketing Consultancy, has acquired 10.1mn shares, representing 11.25% of total issued shares of Emirates Driving, in a block trade. (Bloomberg)
- **Kuwait treasury had KD1.64bn for spending at end-March** – The General Reserve Fund had liquidity of KD1.64bn for budget expenditure as of March 31, Finance Minister Khalifa Hamada says, in response to a question from lawmaker Abdullah Al-Mudhaf. Minister says deficit will be met through economic and financial reforms to increase revenue and cut spending. (Bloomberg)

## Rebased Performance



Source: Bloomberg

## Daily Index Performance



Source: Bloomberg

Asset/Currency Performance	Close (\$)	1D%	WTD%	YTD%
Gold/Ounce	1,761.24	(1.0)	(1.1)	(7.2)
Silver/Ounce	25.77	(1.3)	(1.3)	(2.4)
Crude Oil (Brent)/Barrel (FM Future)	74.76	0.1	(1.9)	44.3
Crude Oil (WTI)/Barrel (FM Future)	72.98	0.1	(1.4)	50.4
Natural Gas (Henry Hub)/MMBtu	3.75	4.5	10.3	56.9
LPG Propane (Arab Gulf)/Ton	104.50	1.2	0.5	38.9
LPG Butane (Arab Gulf)/Ton	117.50	1.7	2.1	69.1
Euro	1.19	(0.2)	(0.3)	(2.6)
Yen	110.53	(0.1)	(0.2)	7.1
GBP	1.38	(0.3)	(0.3)	1.2
CHF	1.09	(0.2)	(0.5)	(3.9)
AUD	0.75	(0.7)	(1.0)	(2.4)
USD Index	92.05	0.2	0.2	2.3
RUB	72.77	0.9	0.8	(2.2)
BRL	0.20	(0.6)	(0.5)	4.8

Source: Bloomberg

Global Indices Performance	Close	1D%*	WTD%*	YTD%*
MSCI World Index	3,024.44	(0.0)	(0.0)	12.4
DJ Industrial	34,292.29	0.0	(0.4)	12.0
S&P 500	4,291.80	0.0	0.3	14.3
NASDAQ 100	14,528.33	0.2	1.2	12.7
STOXX 600	456.37	0.1	(0.6)	11.3
DAX	15,690.59	0.6	0.2	10.7
FTSE 100	7,087.55	(0.1)	(1.1)	11.2
CAC 40	6,567.43	(0.1)	(1.2)	15.1
Nikkei	28,812.61	(0.8)	(0.6)	(1.9)
MSCI EM	1,377.15	(0.3)	(0.2)	6.7
SHANGHAI SE Composite	3,573.18	(1.0)	(1.1)	3.9
HANG SENG	28,994.10	(1.0)	(1.0)	6.3
BSE SENSEX	52,549.66	(0.3)	(0.8)	8.3
Bovespa	127,327.40	0.1	0.0	12.0
RTS	1,640.08	(1.8)	(1.9)	18.2

Source: Bloomberg (\*\$ adjusted returns)

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