

## PRE-MARKET REPORT

2 August 2021

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#### CHART / TABLE OF THE DAY

- S&P Global GCC Price Index (USD) rally continues with 9 consecutive monthly gains; something not witnessed since 2015

## MARKET INDICATORS

Market Indices	Current Close	Change	D/D	YTD	Price to Earnings	Price to Book	Div Yield
	Index	Point	%	%	(x)	(x)	%
MSCI GCC Index	682.5	3.34	0.49%	19.80%	22.32	2.15	2.5%
Muscat Stock Exchange	4,037.7	7.34	0.18%	10.36%	12.72	0.81	3.8%
Saudi Stock Exchange	11,066.9	54.22	0.49%	27.36%	33.10	2.44	2.1%
Kuwait Stock Exchange	6,575.2	-5.79	-0.09%	18.56%	38.01	1.67	1.8%
Qatar Exchange	10,736.4	-16.84	-0.16%	2.88%	17.83	1.58	2.7%
Bahrain Stock Exchange	1,593.9	-3.15	-0.20%	6.99%	13.27	0.82	3.5%
Dubai Financial Market	2,781.6	15.87	0.57%	11.62%	20.70	0.96	2.8%
Abu Dhabi Exchange	7,393.1	74.93	1.02%	46.53%	23.50	2.15	2.9%
Palestine Stock Exchange	580.3	2.18	0.38%	23.15%	18.96	1.37	2.2%
Tunis Se Index	7,304.5	18.76	0.26%	6.09%	24.01	2.42	2.2%
EGX 30 Index	10,810.2	67.98	0.63%	-0.32%	10.54	1.49	1.6%
Amman General Index	2,082.0	-5.52	-0.26%	25.63%	24.79	0.88	3.6%

World Markets	Country	Value	D/D	YTD
<b>Europe</b>				
FTSE 100	UK	7,032.3	-0.65%	8.85%
DAX	Germany	15,544.4	-0.61%	13.31%
CAC 40	France	6,612.8	-0.32%	19.12%
<b>United States</b>				
DJIA	USA	34,935.5	-0.42%	14.14%
S&P 500	USA	4,395.3	-0.54%	17.02%
NASDAQ	USA	14,672.7	-0.71%	13.85%
<b>Asia Pacific</b>				
NIKKEI 225	Japan	27,803.5	1.90%	1.31%
HANG SENG	Hongkong	26,279.6	1.23%	-3.49%
KSE 100 Index	Pakistan	47,264.9	0.45%	8.02%
NSE Nifty 50	India	15,863.4	0.64%	13.46%
SHANGHAI COMPOSITE	China	3,447.3	1.47%	-0.74%
SHANGHAI SHENZHEN CSI 300	China	4,911.6	2.09%	-5.75%

Currency Cross Rates	Units/1 USD	YTD %
Australian Dollar (AUD)	1.361	4.70%
British Pound (GBP)	0.719	-1.75%
Canadian Dollar (CAD)	1.247	2.03%
Chinese Renm. (CNH)	6.465	0.58%
Egyptian Pound (EGP)	15.706	0.13%
Euro (EUR)	0.842	2.88%
Indian Rupee (INR)	74.401	-1.80%
Japanese Yen (JPY)	109.670	-5.85%
Swiss Franc (CHF)	0.906	-2.26%
Omani Rial (OMR)	0.385	0.00%
Pakistan Rupee (PKR)	162.425	-1.60%
Russian Ruble (RUB)	73.147	1.73%
Singapore Dollar (SGD)	1.353	-2.28%
Turkish Lira (TRY)	8.464	-12.10%

Commodity Prices	Price	D/D	YTD
	USD	%	%
<b>Oil</b>			
Brent Crude (per bbl)	74.7	-1.02%	46.25%
WTI Crude (per bbl)	73.3	-0.87%	51.09%
Oman Crude Oil (Last Closing)	73.9	0.26%	44.75%
OPEC (per bbl)	74.4	1.16%	48.13%
<b>Precious Metals</b>			
Gold100 OZ (per oz)	1,811.6	-0.14%	-4.57%
Silver (per oz)	25.5	0.23%	-3.25%
Platinum (per oz)	1,059.8	0.79%	-1.15%
<b>Other Metals</b>			
Copper, MT	9,728	-0.97%	25.26%
Aluminium, MT	2,590	-0.06%	30.84%
Lead, MT	2,382	0.70%	19.46%
Zinc, MT	3,027	0.97%	10.03%

GCC 3m Interbank Rates	Current Rate %	YTD %
UAE	0.31	-40.2%
Saudi Arabia	0.79	-2.8%
Kuwait	1.50	4.3%
Oman	2.10	-21.4%
Qatar	1.10	-1.8%
Bahrain	1.59	-29.3%

GCC Latest 10-Yr Government Bond Yields		
	Maturity date	YTM, %
KUWAIT	20/03/2027	1.28
UAE	16/04/2030	1.89
QATAR	16/04/2030	2.00
SAUDI ARABIA	22/10/2030	2.23
OMAN	25/01/2031	5.13
BAHRAIN	30/09/2031	5.58

Midswaps	Price	YTM %
3 year	100.13	0.3
5 year	99.71	0.7
10 year	103.69	1.2
30 year	110.78	1.9

USD Libor	Rate (%)	YTD
1m	0.09	-37.1%
3m	0.12	-50.6%
6m	0.15	-40.6%
1 year	0.24	-31.2%

Source: Bloomberg

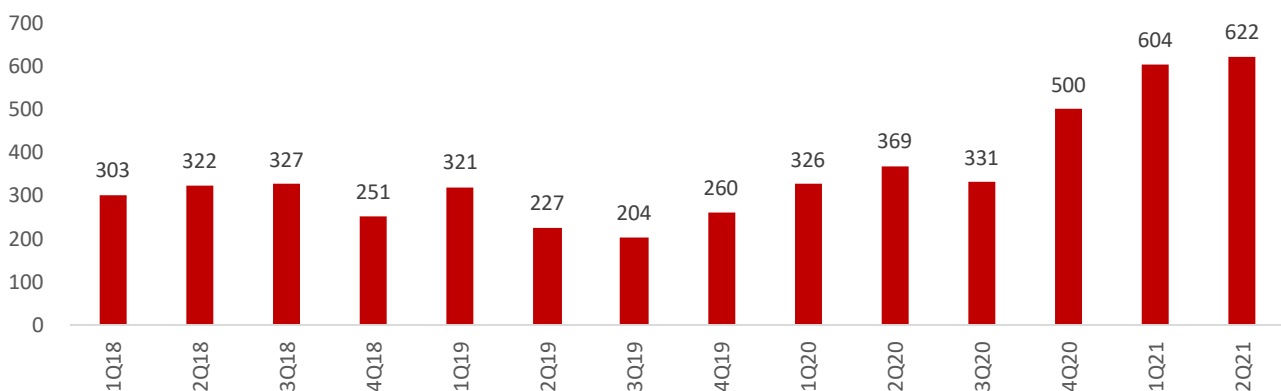
## GCC CORPORATE NEWS, ANNOUNCEMENTS & DISCLOSURES

### OMAN

#### Al Maha Ceramics identifies sharp increase in sea freight is forcing its suppliers to increase raw material prices

- Company achieved a revenue of RO 4,875,651 for the period as compared to RO 4,297,896 in the same period last year, an increase of 13.44 %. Net profit after tax for the period is RO 1,225,901 as compared to RO 695,163 in the last year same period, an increase of 76.35% which is mainly due to an increase in the sales revenue, effective cost control measures taken at various levels.
- The challenge that is expected in the future is the sharp increase in sea freight is forcing its suppliers to increase the price of raw materials. This might result in lowering of the margins in the coming quarter.
- Company believes demand situation looks good in the region and with Company's continued efforts to lower down cost, they expect to continue with similar performance in next half of the year as well.
- With regards to announcement regarding taking majority stake in Al Hael Ceramics, the due diligence is under process and it's progressing as planned.

#### Profitability (OMR 000)



Source: Company Filings

### SAUDI ARABIA

#### Tanmiah Food's retail IPO 1,170.5% oversubscribed, receives SAR 470.5mn orders

- Tanmiah Food Co.'s retail offering was 1,170.48% oversubscribed, according to Saudi Fransi Capital, financial advisor, lead manager, bookrunner and underwriter for the initial public offering (IPO).
- The total number of individual subscribers reached 69,598, injecting SAR 470.5mn to subscribe to 600,000 ordinary shares at SAR 67 per share.
- In accordance with the prospectus, 600,000 ordinary shares have been allocated to individual subscribers, representing 10% of the total shares offered for public subscription, while 5.4mn shares have been allocated to institutional subscribers, representing 90% of the total shares offered for subscription.

#### Saudi Paper receives preliminary ruling to terminate sale contract of Moroccan subsidiary

- Saudi Paper Manufacturing Co. (SPM) received a letter from its lawyer in the Kingdom of Morocco stating that a preliminary judicial ruling was issued in its favor at the Commercial Court in Marrakech.
- The ruling provides for the termination of the customary sale contract signed with the buyer and one of SPM subsidiaries, Saudi Company for Investment and Industrial Development.
- The ruling included returning the plant to the company and charging the defendants the expenses, the Saudi-listed firm said in a bourse filing.
- The impact will be positive on the company's financial statements once the process for receiving the subsidiary company and its plant is completed, the statement added.
- SPM also confirmed that it will not hesitate to preserve its interests and the rights of its shareholders, and that it will announce any subsequent updates on this matter.

### National Agricultural Development Co. (NADEC) Announces an update on the announcement of signing an agreement of 30 MW Solar Energy Project in Haradh

- NADEC Company announced that it is in the process of completing the construction works of the project, and according to the company's estimates, the first phase will be completed at the end of August 2021, by operating 10 MW, and the final phase of the project with a capacity of 30 MW will be completed at the end of October 2021, then the commercial operation of the project will start at that time.
- Due to Coronavirus (COVID-19) pandemic leading to a force majeure situation which impact the global supply chains, this led to the delay of some project execution work, and has resulted in postponement of supply and implementation activities of the project.

### Emaar The Economic City Announces updates on Increase of the Company's Capital through Debt Conversion File at CMA

- Emaar The Economic City's announcement dated 13/10/1442H. (corresponding to 25 May 2021) in relation to submitting an application to increase its capital through debt conversion to the CMA, the Company announces the CMA's approval dated 22/12/1442H. (corresponding to 1 August 2021) on its application to increase its capital through the conversion of debt that the Company will owe to the Public Investment Fund (as the Creditor), amounting to two billion eight hundred thirty-three million three hundred thirty-three thousand three hundred forty Saudi riyals (SAR 2,833,333,340), to ordinary shares in the Company.
- The Company will complete the procedures for holding the extraordinary general assembly of its shareholders in coordination with the relevant authorities and will announce that at a later time. The shareholders' circular regarding the capital increase by way of debt conversion will be published sufficiently in advance of the date of the aforementioned extraordinary general assembly.

### Saudi Corporate Results

SAR MN	2Q21	2Q20	%CHANGE	1Q21	% CHANGE
BANK SAUDI FRANSI	770	437	76.20	780	-1.28
AL RAJHI BANK	3,605	2,436	47.98	3,335	8.01

### Bank Saudi Fransi net income up 76% YoY but down 1.3% QoQ in 2Q21

- Net income decreased QoQ mainly due to reduction in Total Operating Income by 2.3%.
- This decrease in Total Operating Income was mainly due to lower Trading Income and Net Fee and Commission Income, which was partially offset by higher Net Special Commission Income, Exchange Income and Gain on non-trading investments.
- The increase in Total Operating Expenses was primarily due to higher Other Operating and General and Administrative Expenses while Impairment charge for credit losses decreased.

### Al Rajhi Bank net income up 48% YoY and 8% QoQ in 2Q21

- YoY: Net income increased due to an increase in total operating income by 31.8% caused by an increase in net financing and investment income, fees from banking services, exchange income and other operating income. In contrast, the total operating expenses increased by 10.6% due to an increase in other general and administrative expenses and salaries and employees' related expenses, while there was a decrease in depreciation expense. In addition, there was an increase in impairment charge for financing from SAR 458 million to SAR 584 million by 27.5%.
- QoQ: Net income increased due to an increase in total operating income by 6.5% caused by an increase in net financing and investment income, fees from banking services, other operating income, and exchange income. In contrast, the total operating expenses increased by 3.8% due to an increase in depreciation expense, other general and administrative expenses, salaries, and employees' related expenses.

## QATAR

### Qatar Corporate Results

QAR MN	1H20	1H21	%CHANGE
QLM LIFE & MEDICAL	50.45	55.42	10%
QATARI INVESTORS GROUP	38.84	67.63	74%
QATAR CINEMA	2.73	1.49	45%

#### QLM Life & Medical Insurance net income up 10% YoY in 1H21

- QLM Life & Medical Insurance Company QPSC discloses the interim financial statement for the six-month period ending 30th June, 2021. The financial statements revealed a Net Profit of QR 55,427,251 in comparison to Net Profit QR 50,454,021 for the same period of the previous year. The Earnings per share (EPS) amounted to QR 0.16 as of 30th June, 2021 versus Earnings per share (EPS) QR 0.14 for the same period in 2020.

#### Qatari Investor Group net income up 74% YoY in 1H21

- Qatari Investors Group Q.P.S.C. disclosed its financial statements for the period ended on 30.06.2021. The statements show that the net profit is QR 67,631,694 Compared to net profit amounting to QR 38,846,359 for the same period of the previous year. The Earnings per Share (EPS) amounted to QR 0.05 for the period ended June 30, 2021 to EPS amounted to QR 0.03 for the same period of the previous year.

#### Qatar Cinema net income down 45% YoY in 1H21

- Qatar Cinema & Film Distribution Co. discloses the interim financial statement for the six-month period ending 30th June , 2021. The financial statements revealed a Net Profit of QR 1,489,239 in comparison to Net Profit QR 2,731,108 for the same period of the previous year. The Earnings per share (EPS) amounted to QR 0.024 as of 30th June, 2021 versus Earnings per share (EPS) QR 0.043 for the same period in 2020.

## BAHRAIN

### Bahrain Corporate Results

BHD MN	1H20	1H21	%CHANGE
ALBA BAHRAIN	-10.6	144.7	-

#### Alba Bahrain reports sizable jump in profit in 1H21

- Aluminum Bahrain B.S.C. (Alba) reported a Profit of BD92.6 million (US\$246.2 million) for the second quarter of 2021, up by 665% Year-over-Year (YoY), versus a Loss of BD16.4 million (US\$43.6 million) for the same period in 2020. Gross Profit for Q2 2021 was BD123.7 million (US\$328.9 million) versus BD21.6 million (US\$57.6 million) for the same period in 2020 - up by 471% YoY. With regards to the Revenue in Q2 2021, Alba generated BD370 million (US\$984 million) versus BD244 million (US\$649.1 million) in Q2 2020 - up by 52% YoY.
- For the First Half of 2021, Alba has reported a Profit of BD144.8 million (US\$385 million), up by 1,461% YoY versus a Loss of BD10.6 million (US\$28.3 million) for the same period in 2020.
- Alba's top-line were driven in by higher LME prices (61% YoY in Q2 2021 and 41% YoY in H1 2021) and partially offset by lower Sales' volume (a drop of 1% YoY in Q2 2021 and 3% YoY in H1 2021) while the bottom-line for Q2 and H1 2021 was driven by higher top-line and partially impacted by higher Selling and Distribution Expenses.

## UAE

#### Aldar Sells Out Exclusive Waterfront Land Plots at Al Gurm

- Aldar Properties ('Aldar') has announced the sell-out of land plots at the second phase of Al Gurm, the luxurious and secluded beachfront community on the South-West side of Abu Dhabi's main island. This solid sales performance is the latest indication of the demand for a diverse range of real estate investment opportunities in Abu Dhabi.
- Available exclusively to UAE nationals, all 71 new plots were purchased at Al Gurm, which is comprised of a series of archipelago-style islands over a total of 105,000 sqm. Each plot will have access to exclusive beaches, with plots ranging in size from 900 to 4,400 sqm, distributed across three distinct areas: The Beach, The Canal, and The Island

## KUWAIT

### Kuwait's Zain to invest \$10mIn in Swvl, Queen's Gambit merged entity

- Kuwait's Mobile Telecommunications Company (Zain) will invest in the newly-formed business combination between the Dubai-based ridesharing app Swvl and Nasdaq-listed Queen's Gambit Growth Capital, the first special purpose acquisition company led by women.
- Zain will subscribe for \$10 million (KWD) in this transaction.
- Last week, Swvl and Queen's Gambit Growth Capital announced an agreement for a business combination, which will result in Swvl being the first \$1.5 billion unicorn in the Middle East to list on Nasdaq.
- During the first half (H1) of 2021, Zain recorded a 5% year-on-year (YoY) rise in its net profits to \$86 million.

### Kuwait Corporate Results

<i>KWD MN</i>	<b>1H20</b>	<b>1H21</b>	<b>%CHANGE</b>
<b>NATIONAL INDUSTRIES GROUP</b>	-64.2	43.6	-

### National Industries Group reports sizable jump in net income in 1H21

- National Industries Group reports sizable jump in net income in 1H21 to KWD 43.6mn compared to loss of KWD 64mn last year.
- Growth in income was largely because of increase in income from investments and higher share of profit from associates.

## ECONOMIC & GENERAL NEWS

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### OMAN

#### **Oman bans pyramid marketing activities**

Stiff penalties: RO 5000 fine for offenders found engaging in, buying, selling, trading, advertising and promoting pyramid or network marketing schemes Invoking the Commerce Law promulgated by Royal Decree 55/90, Qais bin Mohammad al Yousef, Minister of Commerce, Industry and Investment Promotion (MoCIIP), issued Ministerial Decision 105/2021 effectively prohibiting all pyramid-style marketing activities in the Sultanate. Pyramid schemes typically funnel earnings from those on the lower levels of a marketing organization to the top and are often portrayed as fraudulent in many parts of the world. Sunday's announcement prohibits selling, advertising or promoting goods, products and services through pyramidal marketing activities.

#### **Source**

#### **Wide-ranging reforms pave way for Oman to diversify economy and embark on sustained recovery**

A new COVID-19 Recovery Roadmap produced by Oxford Business Group (OBG) explores Oman's efforts to enact wide-ranging reforms aimed at diversifying the economy and putting the Sultanate on a path to long-term sustainable development. The report provides in-depth analysis of Oman's response to the pandemic and plans to generate new revenue streams in an easy-to-navigate and accessible format, focusing on key data and infographics relating to the country's socio-economic landscape.

#### **Source**

#### **New Plastic Industries Complex planned in Suhar**

A new cluster targeted at downstream plastics-related investments is being established at Suhar Industrial City – part of an effort by Oman's authorities to capitalize on the huge volumes of polymers being produced by the mammoth petrochemicals complex of Liwa Plastics at the nearby Sohar Port. According to a senior official of the Public Establishment for Industrial Estates (Madayn), which oversees the country's expanding network of industrial cities, the proposed Plastic Industries Complex will be set up on roughly 1 million sq metres of land at Suhar Industrial City. Hamad bin Hamoud al Qasabi, Director General of Suhar Industrial City, said the initiative is one of two strategic ventures currently being pursued for development at Suhar, the other being the Motkar cluster – an integrated hub for automotive-related manufacturing, trading and services.

#### **Source**

#### **MSX index ends marginally higher**

The MSX index closed at 4,037.74 points, up 0.18 per cent from previous close. The Sharia Index up 0.48 per cent at 587.71 points. Gulf International Chemical, up 5.56 per cent, was the top gainer while SMN Power Holding, down 7.46 per cent, was the top loser. Shares of Al Anwar Investment were the most active in terms of number of shares traded as well as in terms of turnover. A total number of 558 trades were executed during the day's trading session, generating turnover of OMR2 million, with more than 15 million shares changing hands. Out of 46 traded stocks, 21 advanced, 8 declined and 17 remained unchanged. At the session close, foreign investors were net sellers for OMR110,000 while GCC and Arab investors were net buyers for OMR58,000 followed by local investors for OMR51,000 worth of shares.

#### **Source**

### MIDDLE EAST

#### **Mideast Stocks: Abu Dhabi hits record high, Saudi bourse up on banks**

Abu Dhabi's stock market ended higher on Sunday, hitting a record high during the session, while the Saudi index was bolstered by gains in banking shares. The Saudi benchmark index finished 0.5% higher, with Al Rajhi Bank rising 2% after posting a 48% jump in quarterly profit. Saudi banks have benefited from growth in mortgages and an economic recovery this year following the easing of lockdowns imposed to combat the outbreak of coronavirus. In Abu Dhabi, the index advanced 1%, buoyed by a 5.5% leap in Emirates Telecommunications Group (Etisalat). Dubai's main share index added 0.6%, led by a 1.2% increase in sharia-compliant lender Dubai Islamic Bank. The Qatari benchmark fell 0.2%, pressured by a 1.1% drop in Qatar National Bank.

#### **Source**



### **Saudi net foreign assets jump in June, central bank data shows**

Saudi Arabia's net foreign assets rose over 2 percent in June, as the global oil industry gradually recovers from the impact of COVID-19. Data from the Saudi Central Bank (SAMA) showed the assets rising by 34 billion riyals (\$9.1 billion) to 1.65 trillion riyals in June from the month before. Total assets increased by 16.18 billion riyals to 1.842 trillion riyals, the central bank said.

[Source](#)

### **Saudi Arabia's real estate price index rises by 0.4% in Q2**

The real estate price index in Saudi Arabia rose by 0.4 percent in the second quarter of 2021 compared to the same period of the previous year, official data showed on Sunday. The statistics issued by the General Authority for Statistics showed a 0.8 percent increase in the residential real estate prices in the second quarter while prices of commercial and agriculture properties declined by 0.5 percent and 0.2 percent respectively. The report said a 1 percent hike in the prices of residential plots jacked up the prices of residential properties.

[Source](#)

### **Saudi Arabia's Digital Government Authority approves first regulatory framework**

Saudi Arabia's Digital Government Authority (DGA) on Sunday said its board of directors approved the first regulatory framework of the digital government. "The regulatory framework developed by DGA for the digital government will be the basis on which the authority will develop future regulations for the digital government," DGA Gov. Ahmed Mohammed Al-Soyyan said in a statement. "The framework includes a set of principles, policies, standards, and user guides."

[Source](#)

### **Kuwait Ports plans region's first city for electric car makers**

Kuwait Ports Authority (KPA) has approved a proposal to build the Middle East's first city to serve electric vehicle manufacturers, the authority said in a statement on Sunday. The statement does not make clear where the project, called EV City, will be located. The design and construction tendering process will be during the 2011/22 fiscal year, said KPA's General Manager Yousef al-Abdullah al-Sabah. KPA noted that electric car makers do not use local distributors or dealers and sell their vehicles directly to consumers, adding that it was common for ports to provide certain infrastructure to manufacturers. "KPA is able to provide all port and logistics services to the biggest global companies manufacturing electric cars," Sabah said, adding that the project was in line with Kuwait's Vision 2035 economic diversification plan.

[Source](#)

## **INTERNATIONAL**

### **Asian shares try to stabilize, China growth a worry**

Asian shares were seeking a modicum of stability on Monday as a run of stellar U.S. corporate earnings put a floor under markets, though Beijing's regulatory crackdown continued to reverberate amid disappointing economic news. China's woes were underlined by surveys showing factory activity slowing sharply in July amid rising costs and extreme weather. In contrast, Europe's economic recovery outpaced all expectations last quarter, while U.S. consumers spent with abandon in June as coronavirus restrictions eased, a trend likely to ensure a strong payrolls report at the end of this week.

[Source](#)

### **Asian factory activity hit by rising costs, Delta variant**

Asia's factories hit a rough patch in July as rising input costs and a new wave of coronavirus infections overshadowed solid global demand, highlighting the fragile nature of the region's recovery. Manufacturing activity rose in export powerhouses Japan and South Korea, though firms suffered from supply chain disruptions and raw material shortages that pushed up costs. China's factory activity growth slipped sharply in July as demand contracted for the first time in over a year, a private survey showed, broadly aligning with an official survey released on Saturday showing a slowdown in activity.

[Source](#)

### **Dollar holds near one-month low as investors eye U.S. jobs, RBA**

The dollar held just above a one-month low on Monday as traders held tight positions heading into a busy week that includes monthly U.S. jobs data and a key Australian central bank decision. The dollar index, which measures the greenback against six major peers, stood at 92.091, almost unchanged from Friday, when it dipped as low as 91.775 for the first time since June 28. The index dropped 0.88% last week, its worst performance since early May, after Fed Chair Jerome Powell reiterated mid-week that rate increases were "a ways away" and the job market still had "some ground to cover."

[Source](#)



### **China's July factory activity growth slips to 15-month low - Caixin PMI**

China's factory activity growth slipped sharply in July as demand contracted for the first time in over a year in part on high product prices, a business survey showed on Monday, underscoring challenges facing the world's manufacturing hub. The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) fell to 50.3 last month from 51.3 the month before, the lowest level since April 2020. Analysts polled by Reuters had expected the index to ease to 51.1. The 50-mark separates growth from contraction on a monthly basis. The Chinese economy has largely recovered from disruptions caused by the coronavirus pandemic, but it has faced new challenges in recent months such as higher raw material costs, which dragged on profit growth at industrial firms in June.

[Source](#)

### **Japan's factory activity growth picks up, costs rapidly rise -PMI**

Japan's factory output growth picked up in July due to a stronger expansion of output and new orders, as manufacturers benefited from a continuing recovery of the coronavirus pandemic-hit global economy. The final au Jibun Bank Japan Manufacturing Purchasing Managers' Index (PMI) in July rose to 53.0 on a seasonally adjusted basis from 52.4 in the previous month. That compared with a 52.2 flash reading released last month.

[Source](#)

### **HSBC's reported pre-tax profit more than doubles to \$10.8 billion in first half of 2021**

HSBC beat expectations in its 2021 first-half earnings and announced its second dividend payout since the Covid-19 pandemic as the global economy bounces back. The bank's reported pre-tax profit more than doubled from a year ago to \$10.84 billion in the January-to-June period this year. Analysts' estimates compiled by the bank had pointed to a \$9.45 billion in reported pre-tax profit during that period. Meanwhile, revenue fell 4.5% from a year ago to \$25.55 billion in the first six months of 2021 — broadly in line with the \$25.52 billion that analysts had projected.

[Source](#)

## **COMMODITIES**

### **Oil prices fall on worries over China economy and higher crude output**

Oil prices fell on Monday on worries over China's economy after a survey showed growth in factory activity slipped sharply in the world's second-largest oil consumer, with concerns compounded by a rise in oil output from OPEC producers. Brent crude oil futures slid by 76 cents, or 1%, to \$74.65 a barrel by 0455 GMT while U.S. West Texas Intermediate (WTI) crude futures dropped 69 cents, or 0.9%, to \$73.26 a barrel after slipping to a session low of \$72.87.

[Source](#)

### **Gold eases as dollar holds ground**

Gold prices edged lower on Monday as the dollar held steady, with traders eyeing monthly U.S. jobs data to gauge the health of the labor market. Spot gold fell 0.2% to \$1,809.21 per ounce by 0137 GMT. Prices retreated from a two-week peak in the previous session after the dollar recovered. However, the greenback was down 0.8% last week, its worst weekly performance in over two months.

[Source](#)

### **China wants to curb steel production. Some say it's 'virtually impossible'**

China wants to lower its steel production this year, but that could prove difficult. In the first half of 2021, Chinese steel mills have churned out nearly 12% more crude steel compared to the same period in 2020, according to a Wood Mackenzie note. China produced a monthly record of 99.45 million tons of steel in May, though the number fell to 93.88 million tons in June, Reuters reported.

[Source](#)

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## FIXED INCOME / RATING ACTION / RATING AGENCY OUTLOOK

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### BAHRAIN

#### **Fitch Revises Gulf International Bank's Outlook to Stable; Affirms IDR at 'BBB+' Fitch Revises Gulf International Bank's Outlook to Stable; Affirms IDR at 'BBB+'**

- Fitch Ratings has revised Gulf International Bank B.S.C's (GIB) Outlook to Stable from Negative, while affirming the bank's Long-Term Issuer Default Rating (IDR) at 'BBB+' and Viability Rating (VR) at 'bb+'. A full list of rating actions is below.
- The revision of the Outlook reflects a similar action on Saudi Arabia's sovereign rating on 15 July 2021 (see "Fitch Revises Saudi Arabia's Outlook to Stable; Affirms at 'A'" at [www.fitchratings.com](http://www.fitchratings.com)).
- Fitch has deviated from two criteria of rating banks above the Country Ceiling and of assigning support-driven IDRs above the sovereign rating.
- Key Rating Drivers:
  - GIB's IDRs, Support Rating (SR) and Support Rating Floor (SRF) reflect a high probability of support from the Saudi authorities if needed, despite the bank being licensed and headquartered in Bahrain. The Stable Outlook on GIB's Long-Term IDR reflects that on Saudi's sovereign rating.
  - Fitch's assessment considers a long record of support by the Saudi authorities and a strong ability to provide it, as reflected by Saudi Arabia's rating (A/Stable), given the sovereign's large, albeit decreasing, external reserves. GIB's size is small and any required support would be immaterial relative to the Saudi sovereign's ability to provide it. Fitch's view of support also considers the bank's longstanding majority ownership by the Public Investment Fund of Saudi Arabia (PIF; 97.2% stake), the sovereign's investment arm.

## CHART / TABLE OF THE DAY

S&P Global GCC Price Index (USD) rally continues with 9 consecutive monthly gains; something not witnessed since 2015

	2015	2016	2017	2018	2019	2020	2021	Average Return
Jan	2.80%	-10.68%	1.60%	5.19%	6.81%	-0.85%	1.92%	0.97%
Feb	4.37%	3.71%	-0.83%	-2.53%	-1.00%	-7.36%	2.98%	-0.09%
Mar	-6.93%	1.95%	-1.53%	3.40%	2.77%	-18.18%	6.61%	-1.70%
Apr	10.14%	5.66%	-0.36%	2.90%	4.44%	8.60%	4.44%	5.12%
May	-2.28%	-5.10%	-1.38%	-0.45%	-5.61%	1.27%	1.59%	-1.71%
Jun	-3.51%	1.10%	3.22%	1.13%	2.49%	1.55%	3.05%	1.29%
Jul	0.08%	-0.14%	-0.45%	2.23%	1.06%	1.71%	1.16%	0.81%
Aug	-13.22%	-1.22%	0.86%	-2.53%	-5.85%	6.10%	-	-2.64%
Sep	-1.14%	-3.94%	-0.59%	0.19%	-0.72%	2.46%	-	-0.62%
Oct	-2.65%	2.22%	-2.74%	0.08%	-2.61%	-2.79%	-	-1.42%
Nov	-2.33%	7.88%	-1.53%	-2.01%	1.28%	8.19%	-	1.91%
Dec	-2.44%	4.16%	3.52%	0.67%	5.86%	0.71%	-	2.08%

Source: Bloomberg



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