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S&P 500's humming profit engine can keep powering stocks rally



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Trump's tariff deals leave costly China supply question unanswered



## Qatar, Islamabad chambers explore strengthening ties

Qatar Chamber has discussed co-operation with the Islamabad Chamber of Commerce and Industry (ICCI), focusing on enhancing trade relations, boosting bilateral and joint investments, and exploring the role of the private sector in strengthening commercial exchange between Qatar and Pakistan.

This came during a meeting between Qatar Chamber board member Dr Mohamed bin Jawhar al-Mohamed and ICCI president Nasir Mansoor Qureshi held recently on the sidelines of the Pakistan International Property Exhibition in Doha.

Al-Mohamed and Qureshi toured the exhibition, during which they explored its various sections and learned about the products and services offered by the participating Pakistani companies.

Al-Mohamed praised the strong fraternal relations between Qatar and Pakistan, especially in the economic and commercial fields. He pointed out that bilateral relations have witnessed significant development in recent years, particularly in trade and investment. The volume of trade exchange between Qatar and Pakistan stood at QR12.7bn in 2024, reflecting the strength of economic ties and the great potential for expanding co-operation, al-Mohamed said.

Qatar Chamber board member Dr Mohamed bin Jawhar al-Mohamed and ICCI president Nasir Mansoor Qureshi during the inauguration of the Pakistan International Property Exhibition held recently in Doha.

He emphasised the vital role of the private sector in driving co-operation between the two countries, calling on businesspeople from both sides to capitalise on available opportunities and strengthen communication to establish strategic partnerships across various sectors.

Al-Mohamed also highlighted Qatar's attractive investment climate, modern infrastructure, and investment-friendly legislation, which make it an ideal destination for foreign investments. He invited Pakistani investors to explore the promising opportunities in the Qatari market.

Qureshi praised the strong ties between the two countries across various sectors, particularly in economy and trade. He also commended the distinguished relationship between Qatar Chamber and ICCI and the mutual desire to strengthen and develop it in ways that reflect positively on bilateral trade relations.

A Turkish flag flies on a passenger ferry with the Bosphorus in the background in Istanbul. For emerging market investors, Turkiye has become an attractive opportunity over the past two years thanks to the adoption of more conventional policies to narrow the budget deficit and tame an inflation crisis. A key pillar of this framework has been to raise rates from single digits to as high as 50%.

## Turkiye upgraded by Moody's to Ba3 on improved policymaking

**Bloomberg**
New York/Istanbul

Turkiye got a credit-rating upgrade from Moody's in a boost to policymakers. The nation's rating was raised on Friday to Ba3 from B1 - still three notches below investment grade - with a stable outlook. Moody's cited central bank policy "that durably eases inflationary pressures, reduces economic imbalances, and gradually restores local depositor and foreign investor confidence in the Turkish lira."

For emerging market investors, Turkiye has become an attractive opportunity over the past two years thanks to the adoption of more conventional policies to narrow the budget deficit and tame an inflation crisis. A key pillar of this framework has been to raise rates from single digits to as high as 50%.

Still, the country is vulnerable to political uncertainty. The jailing of Istanbul's mayor in March spurred massive protests and turbulence across lira assets, and disrupted the central bank's rate-cutting cycle.

Monetary policymakers rushed to stem the lira's fallout, raising rates to ensure savers don't flock to dollars. Pressure has eased since then and foreign investors have returned to lira-denominated assets in a significant way.

On Thursday, the central bank resumed its rate cuts with a more sizeable reduction than expected to 43% from 46%.

The Monetary Policy Committee slashed rates by more than expected, driving the one-week repo rate to 43% from 46%. The median forecast among economists in a Bloomberg survey was for a cut of 250 basis points, with only two pencilling in a reduction of 300 basis points.

Looking ahead, the central bank said future cuts will be assessed on "a meeting-by-meeting basis with a focus on the inflation outlook."

Still, Turkiye's inflation-adjusted interest rates remain high. Annual inflation slowed to 35.1% in June. The central bank targets 24% at the end of the year but markets see it closer to 30%.

The authorities' emphasis on reducing inflation and restoring economic and financial stability "has been maintained without signs of political interference since the June 2023 elections, including during domestic political turbulence in recent months," Moody's said.

# Qatar Chamber-ICBC Doha meeting focuses on bolstering Qatar-China economic ties

Qatar Chamber acting general manager Ali Bu Sherbak al-Mansouri has met with Industrial and Commercial Bank of China (ICBC) – Doha (QFC) Branch deputy general manager Guo Hao at the chamber's Lusail headquarters to discuss topics of mutual concern.

The meeting focused on prospects for co-operation and enhancing commercial and economic ties between Qatar and China, particularly in the private sector, as well as exploring the investment climate and opportunities available in both countries.

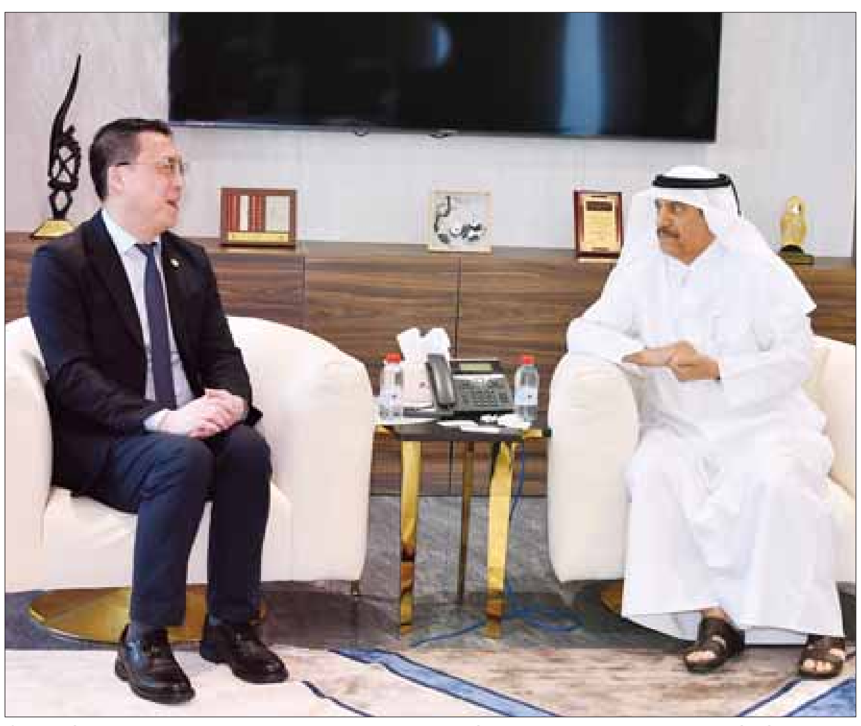
Al-Mansouri lauded the co-operative relations between Qatar and China in various fields, especially in trade and economy, noting that China is one of Qatar's largest trading partners. He also highlighted the strong ties between the Qatari and Chinese private sectors.

He affirmed that Qatar Chamber supports the establishment of genuine and solid partnerships between Qatari and Chinese companies. He invited Chinese firms to invest in Qatar, particularly in the industrial sector, and to benefit from the attractive investment climate, the advantages offered to foreign investors, the abundance of investment opportunities, and the country's advanced infrastructure.

For his part, Hao stated that the ICBC is the leading member of the Chinese Business Council in Qatar and is keen to strengthen co-operation with the Qatar Chamber to advance trade and economic relations between the two countries.

He pointed out that ICBC Doha, in co-operation with the Chinese Business Council, is working to attract Chinese investments to Qatar and promote the country as a regional business hub in the region, highlighting Qatar's attractive and investor-friendly environment.

Hao also invited the Qatar Chamber to participate in renowned and high-profile expos in China, encouraging Qatari companies to showcase their products at these events, which would help increase the presence of Qatari products in the Chinese market.



Qatar Chamber acting general manager Ali Bu Sherbak al-Mansouri and ICBC Doha (QFC) Branch deputy general manager Guo Hao during a meeting at the chamber's Lusail headquarters.

## One Big Beautiful Bill paves way for major structural reforms in US: QNB

**QNA**
Doha

QNB has said that the One Big, Beautiful Bill (OBBB) act could be a pivotal piece of legislation that lays the groundwork for wide-ranging tax measures, spending programs, and structural reforms with long-term economic implications for the US.

In its weekly report, QNB noted that while the bill provides a strong boost to the US economy, it comes at the cost of accelerating the debt trajectory and bringing about significant shifts in income distribution.

According to the report, QNB said history will remember the OBBB as one of the most impactful and transformative initiatives of President Donald Trump's second term.

The nearly 900-page bill was the result of months of tough negotiations and political manoeuvring in Congress, eventually passing by narrow margins (51 to 50 in the Senate and 218 to 214 in the House) before being signed into law by Trump on July 4, US Independence Day.

The note said that the law introduces major changes to the US tax code in the form of expanding tax cuts for high-income individuals and corporations, reducing funding for social safety net programs, and re-prioritising spending. These reforms have sparked intense debate regarding their distributive effects and long-term sustainability. Given its size and scope, the OBBB has far-reaching macroeconomic implications.

QNB has analysed the legislation's main features across three key dimensions.

First, it is expected to have a clearly expansionary effect on the economy over the next decade. According to the Congressional Budget Office (CBO), real GDP is projected to increase by an average of 0.5% between 2025 and 2034 compared to a baseline without the bill, a meaningful uplift considering the average annual growth rate in the US over the past 20 years has been just 2.2%.

**OBBB introduces major changes to the US tax code in the form of expanding tax cuts for high-income individuals and corporations, reducing funding for social safety net programs, and re-prioritising spending. These reforms have sparked intense debate regarding their distributive effects and long-term sustainability. Given its size and scope, the OBBB has far-reaching macroeconomic implications**

In the short term, the economic impact will be even greater, with GDP expected to grow by 0.9% in 2026. This early boost will mainly stem from increased aggregate demand due to higher disposable income among wealthier households and investment-stimulating provisions. After 2026, lower tax rates are expected to improve labour incentives, increasing workforce participation and hours worked, thereby further enhancing growth. Overall, the bill is expected to deliver a significant and positive economic push through multiple growth mechanisms.

The second dimension involves the bill's substantial impact on the federal budget deficit and debt trajectory. The legislation includes several measures that strain public finances, such as extending tax cuts, reducing corporate tax revenue, and expanding deductions. While it also features some spending cuts, mainly targeting entitlement programs and social safety nets, these are relatively modest.

As a result, the QNB commentary concludes that large increase in US Treasury debt issuance will test the global market's appetite, and predicted that it is likely to push interest rates higher, as greater supply of Treasuries will depress bond prices and raise yields.

The third dimension relates to income redistribution. Through multiple channels, the net distributional impact of the OBBB is regressive, as it benefits high-income households while reducing support for low-income ones. Specifically, families in the bottom 20% of the income distribution are expected to lose around $560 per year, equivalent to roughly 2.3% of their after-tax income. These losses will mainly result from cuts to medical assistance programmes and safety nets like the Supplemental Nutrition Assistance Program (SNAP).

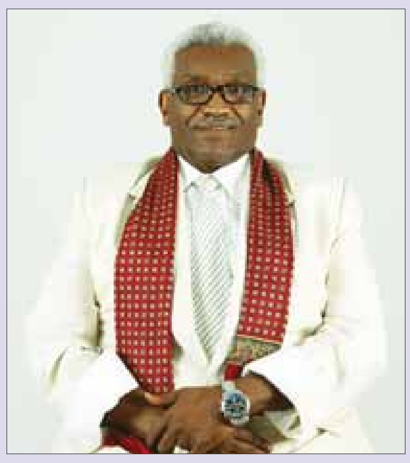
In contrast, higher-income households will be less affected by cuts to welfare and healthcare, but will benefit significantly from the extension of provisions in the Tax Cuts and Jobs Act (TCJA), which includes lower tax rates and higher deductions and exemptions.

# BUSINESS

LEGAL PERSPECTIVE

## Liquidated and consequential damages for contract breach

By Dr AbdelGadir Warsama Ghalib



Contracts denote the will of the contracting parties and valid contracts are enforceable by law. Based on this rule, each contractor shall perform his duties under the contract to the satisfaction of the other contracting party. Otherwise, there is legal liability for certain remedies to the injured party for breach of contract.

Generally, the purpose of the remedy is to put the injured party in the same position as if the contract has been performed. The balance here, of the same position, could be very difficult. However, this is the rule.

Legally speaking, the parties to a contract may provide their own remedies to be applied in case of non-performance. They can also limit either the remedies that the law makes available or the damages that can be recovered. If the parties agree on the amount of damages that will be paid to the injured party, this amount is known as "liquidated damages".

An agreement between the contracting parties for liquidated damages, is enforced if the amount is reasonable and if the actual damages would be difficult to prove (a good example here, could be the amount for artistic work) in the event of breach of the contract.

The amount is considered reasonable, if it is not so large as to be a penalty or so small as to be unconscionable. Therefore, if the amount is so large or so small, it will not be enforceable by courts. However, if the liquidated damage clause is not enforceable because it is a penalty or unconscionable, the injured party can recover the actual damages that were suffered based on providing sufficient evidence.

In addition to the liquidated damages, there is another liability for "consequential damages". The liability for consequential damages in normally resulting from a breach of contract, such as claim for lost profits or damage to property. This type of damages, may also be limited or excluded by agreement between the contracting parties.

The limitation of damages or exclusion is not enforced if it would be unconscionable. Any attempt to limit consequential damages for injury caused to a person by consumer goods is considered prima facie unconscionable. Suppose a car manufacturer makes a warranty to the quality of the cars, then tries to disclaim responsibility for any person injured if the car does not conform to the warranty and to limit its liability to replacing any defective parts. The disclaimer of consequential injuries in this case would be unconscionable and therefore would not be enforced.

Exclusion or limitation on consequential damages is permitted where the loss is commercial and, also, to apply as long as the exclusion or limitation is not unconscionable. Deeds are by their ends, however, sometimes the end may not be acceptable. Herein, non-performance of contracts is not acceptable and entails compensation.

The issue of damages for compensation, is very sensitive and it normally comes up at a late stage of non-performance.

Since allowable by law, it is advisable for the contracting parties to put and agree on clear provisions for damages, not containing very high or very low amounts. Doing so, will be very helpful to both parties in case of breach of the contract for non-performance and, moreover, will be enforceable by the courts.

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# Trump tariffs leave costly China supply question unanswered

Bloomberg
Singapore

President Donald Trump's recent flurry of trade deals have given Asian exporters some clarity on tariffs, but missing are key details on how to avoid punitive rates that target China's supply chains.

Trump unveiled tariffs of 20% for Vietnam and 19% for Indonesia and the Philippines, signalling those are the levels the US will likely settle on for most of Southeast Asia, a region that ships $352bn worth of goods annually to the US.

He's also threatened to rocket rates up to 40% for products deemed to be transshipped, or re-routed, through those countries — a move largely directed at curbing Chinese goods circumventing higher US tariffs.

But still unclear to manufacturers is how the US will calculate and apply local-content requirements, key to how it will determine what constitutes transshipped goods. Southeast Asian nations are highly reliant on Chinese components and raw materials, and US firms that source from the region would bear the extra tariff damage.

That's left companies, investors and economists facing several unanswered questions about Trump's tariffs that appear aimed at squeezing out Chinese content, according to Deborah Elms, head of trade policy at the Hinrich Foundation in Singapore.

"Is that raw materials? All raw materials? Above a certain percentage?" she said. "How about parts? What about labour or services? What about investment?"

In an agreement with Indonesia last week, the White House said the two countries would negotiate "rules of origin" to ensure a third country wouldn't benefit. The deal with Vietnam earlier this month outlined a higher 40% tariff rate for transshipped goods. And Thai officials, who have yet to secure a deal, detailed that they likely need to boost local content in exports to the US.

A worker at a production line at a factory in Hangzhou, Zhejiang province, China (file). Southeast Asian nations are highly reliant on Chinese components and raw materials, and US firms that source from the region would bear the extra tariff damage.

The Trump administration isn't providing much clarity on the matter right now. US officials are still working out details with trading partners and looking at value-based local content requirements, to ensure exports are more than just assembled imported parts, according to a person familiar with the matter, who didn't want to be identified discussing private talks.

A senior Trump administration official also said this week that details on the approach to transshipment are expected to be released before August 1, the deadline for when higher US tariffs kick in. Some factories are already adjusting their supply chains to comply with rules that will require more locally-made components in production.

Frank Deng, an executive at a Shanghai-based furniture exporter with operations in Vietnam — and which gets about 80% of business from the US — said in an interview his firm is making adjustments as authorities appear to be more strictly enforcing country-of-origin rules.

Vietnam has always had specific local content requirements for manufacturers, Deng added, including that a maximum of 30% of the volume of raw materials originates from China, and the value after production in Vietnam must be 40% higher than the imported raw materials.

"We've been struggling to meet all the standards so that we can still stay in the game," Deng said. "But I guess that's the only way to survive now." For most of Southeast Asia, reducing the amount of Chinese-made components in manufacturing will require a complete overhaul of their supply chains. Estimates from Eurasia Group show that Chinese components make up about 60-70% of exports from Southeast Asia — primarily industrial inputs that go into manufacturing assembly.

About 15% of the region's exports now head to the US, up about four percentage points from 2018.

The US has become increasingly vigilant about China's ability to bypass US trade tariffs and other restrictions through third countries since Trump's first trade war in 2017.

Thailand signalled its frustration over the lack of clarity for how much local content is needed in goods exported to the US to avert transshipment rates, but noted it will likely be much higher than a traditional measure of 40%. "From what we've heard, the required percentage could be significantly higher, perhaps 60%, 70%, or even 80%," Deputy Prime Minister Pichai Chunhavajira said on July 14.

"Emerging countries or new production bases are clearly at a disadvantage," he said, as their manufacturing capabilities are still at an early stage and must rely on other countries for raw goods.

Vietnam, Thailand and Malaysia have all taken steps this year to address Trump's concerns, increasing scrutiny of trade that passes through their ports including new rule-of-origin policies that centralise processing and imposing harsh penalties on transshippers.

Developing nations may still struggle to enforce Trump's rules or comply with the rules if it means going up against China, their largest trading partner and geopolitical partner.

"The reality is it's not enforceable at all," said Dan Wang, China director at Eurasia Group. "Chinese companies have all kinds of ways to get around it and those other countries have no incentive to enforce those measures, or capacity to collect the data and determine local content."

# Opec+ panel seen to keep oil policy steady on Monday

Reuters
London/Moscow

An Opec+ panel is unlikely to alter existing plans to raise oil output when it meets on Monday, four Opec+ delegates said, noting the producer group is keen to recover market share while summer demand is helping to absorb the extra barrels.

The meeting of the Joint Ministerial Monitoring Committee (JMMC), which includes top ministers from the Organisation of the Petroleum Exporting Countries and allies led by Russia, is scheduled on Monday.

Four Opec+ sources told Reuters the meeting is unlikely to alter the group's existing policy, which calls for eight members to raise output by 548,000 barrels per day in August. Another source said it was too early to say.

Opec and the Saudi government communications office did not respond to a request for comment.

Opec+, which pumps about half of the world's oil, has been curtailing production for several years to support the market. But it reversed course this year to regain market share, and as US President Donald Trump demanded Opec pump more to help keep a lid on gasoline prices.

The eight Opec+ producers hold a separate meeting on August 3 and remain likely to agree to a further 548,000 bpd increase for September, three of the sources said, as reported by Reuters earlier this month.

This would mean that, by September, Opec+ will have unwound their most recent production cut of 2.2mn bpd, and the United Arab Emirates will have delivered a 300,000 bpd quota increase ahead of schedule.

The JMMC meets every two months and can recommend changes to Opec+ output policy.

**Opec+, which pumps about half of the world's oil, has been curtailing production for several years to support the market. But it reversed course this year to regain market share, and as US President Donald Trump demanded Opec pump more to help keep a lid on gasoline prices.**



# Malaysian growth quickens despite trade risks

The Petronas Twin Towers (***left***) and other buildings in Kuala Lumpur on Friday. Malaysia's economy grew faster than expected in the second quarter, driven by the services sector, even as the country contends with US President Donald Trump's rollout of global tariffs. Gross domestic product rose 4.5% in April-June from a year earlier, according to advance estimates from the Department of Statistics Malaysia. That's higher than the 4.2% median estimate in a Bloomberg survey, and faster than the 4.4% expansion in the first three months of the year. The latest economic print may give breathing space to policymakers as they review their 4.5-5.5% growth projection for 2025. Malaysia has been threatened with a 25% US import levy and officials are racing to negotiate the tariff lower before they take effect on August 1, reports Bloomberg.

# EU-US trade deal now hinges mostly on Trump's verdict

**Bloomberg**
Brussels

After months of intensive talks and shuttle diplomacy, a trade agreement between the European Union and the US now rests mostly on Donald Trump.

European Commission President Ursula von der Leyen will travel to Scotland to meet the US president today, as the two sides aim to conclude a deal ahead of Friday's deadline, at which point 30% tariffs on the bloc's exports to the US are otherwise due to kick in.

"Intensive negotiations at technical and political have been ongoing," said Paula Pinho, von der Leyen's spokesperson. "Leaders will now take stock and consider the scope for a balanced outcome that provides stability and predictability for businesses and consumers on both sides of the Atlantic."

EU officials have repeatedly cautioned that a deal ultimately rests with Trump, making the final outcome difficult to predict. The US president recently negotiated with Japan and appeared to change certain final terms on the fly before a deal was eventually agreed earlier this week.

The EU and US have been zeroing in on an agreement over the past week that would see the EU face 15% tariffs on most of its trade with the US. Limited exemptions are expected for aviation, some medical devices and generic medicines, several spirits, and a specific set of manufacturing equipment that the US needs, Bloomberg previously reported.

Steel and aluminium imports would likely benefit from a quota under the arrangements under discussion, but above that threshold they would face a higher tariff of 50%.

Alongside a universal levy, the US president has hit cars and auto parts with a 25% levy, and steel and aluminium with double that. He's also threatened to target pharmaceuticals and semiconductors with new duties as early as next month, and recently announced a 50% tariff on copper.

The EU is expecting the same 15% ceiling on some sectors that could be the target of future tariffs, including pharmaceuticals, according to people familiar with the matter. But that's one of the key points where Trump's position will be crucial to a deal being sealed, the people added.

"We'll see if we make a deal," Trump said as he arrived in Scotland on Friday. "Ursula will be here, highly respected woman. So we look forward to that."

Trump reiterated that he believed there's "a 50-50 chance" of a deal with the EU, saying there were sticking points on "maybe 20 different things" that he didn't want to detail publicly.

"That would be actually the biggest deal of them all if we make it," the president said.

Trump gave similar chances of an agreement with European negotiators before leaving Washington, but also said the EU had a "pretty good chance" of reaching an agreement.

The US president announced tariffs on almost all US trading partners in April, declaring his intent to bring back domestic manufacturing, pay for a massive tax-cut extension, and stop the rest of the world from — as Trump has characterised it — taking advantage of the US.

In addition to levies, any agreement would cover non-tariff barriers, cooperation on economic security matters, and strategic purchases by the EU in sectors such as energy and artificial intelligence chips, Bloomberg previously reported. The bloc has also offered to remove tariffs on many industrial goods and non-sensitive agricultural imports.

The terms of any initial deal, which is likely to take the form of a short joint statement if agreed upon, would need to be approved by member states, some of the people said. The statement would be seen as a stepping stone toward more detailed talks.

Because of the ongoing uncertainty, the EU has in parallel sketched out countermeasures in the event of a no-deal scenario. That would see it quickly hit American exports with up to 30% tariffs on some €100bn ($117bn) worth of goods — including Boeing Co aircraft, and US-made cars — in the event of a no-deal, and if Trump carries through with his threat to impose that rate on most of the bloc's exports after August 1 or in future. The package also includes some export restrictions on scrap metals.

In a no-deal scenario, the bloc is also prepared to move forward with its anti-coercion instrument, a potent trade tool that would eventually allow it to target other areas such as market access, services and restrictions on public contracts, provided a majority of member states backs its use.

While Trump didn't explicitly link negotiations to non-trade matters on Friday, he did suggest that he planned to raise concerns over migration flows.

Trump has imposed strict anti-immigration policies since returning to office, carrying out a mass deportation effort of those in the US illegally while also narrowing pathways to legally move to the US.

"You got to stop this horrible invasion that's happening to Europe, many countries in Europe," Trump said, adding that he believed "this immigration is killing Europe".

# Tariffs, Fed, tech results headline jam-packed US markets week

**Reuters**
New York

A looming US deadline for more severe global tariffs is among a barrage of upcoming events threatening to disrupt an increasingly calm US stock market that has set a string of all-time highs.

President Donald Trump has extended a deadline to August 1 for when higher levies will take effect on an array of trading partners unless deals are struck. That could boost market volatility heading into next Friday.

Much more is on the calendar that could move markets. Investors will watch the Federal Reserve's monetary policy meeting, the monthly US employment report and earnings reports from megacap companies Apple, Microsoft and Amazon.

"There is going to be a lot to digest for markets into next week," said Matthew Miskin, co-chief investment strategist at Manulife John Hancock Investments.

"Expectations from the markets have gone up relative to several months ago," Miskin said. "So it's just going to be another big week for trying to meet loftier expectations."

The benchmark S&P 500 kept tallying new all-time highs during the week. Equities have recovered from a plunge after Trump's April 2 "Liberation Day" tariff announcement set off fears of a recession that have since ebbed.

The S&P 500 has surged 28% since its low for the year a week later, while the tech-heavy Nasdaq Composite has jumped 38% in that time.

"We just got three years of return in three and a half months," said Chris Galipeau, senior market strategist at the Franklin Templeton Institute. "The equity market needs to consolidate this move."


Traders work on the floor at the New York Stock Exchange. A looming US deadline for more severe global tariffs is among a barrage of upcoming events threatening to disrupt an increasingly calm US stock market that has set a string of all-time highs.

Market volatility measures have eased considerably. The Cboe Volatility Index spiked to 60 in April, but has been below its long-term median of 17.6 for most of July and on Wednesday posted its lowest close in five months.

However, pockets of volatility have emerged in the past week. Eye-popping gains in highly shorted stocks such as Kohl's and Opendoor Technologies heralded the possible return of a "meme stock" craze that could signal some over-exuberance in risk appetite, at least among retail investors.

Meanwhile, the record-setting rally has lifted valuations to historically expensive levels. The S&P 500 was trading at 22.6 times earnings estimates, well above its long-term average P/E ratio of 15.8, according to LSEG Datastream, which could make the market vulnerable to disappointments in the coming week.

Higher tariffs on the European Union and many other countries could take effect on August 1. Trump had paused many of the most severe of his reciprocal tariffs in April, following the bout of extreme market volatility.

"There is a particular belief and conviction that the market has that the administration just won't be as aggressive as they've been threatening because of what was experienced in early April," said Kevin Gordon, senior investment strategist at Charles Schwab. "The next hurdle in the trade (situation) is really to see what sticks."

The Fed is widely expected to hold interest rates steady in its monetary policy decision on Wednesday, as central bank officials want more data to determine if tariffs are worsening inflation before they ease rates further.

But tensions between the White House and the central bank over monetary policy have heightened, with Trump repeatedly denouncing Fed Chair Jerome Powell for not cutting rates.

Two of the Fed Board's Trump appointees have articulated reasons for supporting a rate cut this month.

A packed week of corporate results includes Apple, Microsoft, Amazon and Facebook parent Meta Platforms, four of the "Magnificent Seven," whose stocks heavily influence benchmark indexes because of the companies' massive market values.

# Citadel Securities wins case over SEC audit trail funding

**Bloomberg**
New York

Citadel Securities and a financial-industry trade group won a suit challenging the funding for an SEC market-tracking database that was set to cost Wall Street billions of dollars in fees.

A federal appeals court in Atlanta on Friday invalidated the Securities and Exchange Commission's funding plan for the so-called Consolidated Audit Trail as "arbitrary and capricious."

The court placed its decision on hold to give the SEC time to conduct an economic analysis and "reconsider the allocation of historical and prospective CAT costs."

Citadel Securities and the American Securities Association claimed the allocations of costs for running the CAT were unfair and argued that the exchanges and bodies like the Financial Industry Regulatory Authority should pay more.

The US Court of Appeals for the 11th Circuit found that, under the SEC's plan, financial firms could be "on the hook" for the CAT's entire cost, estimated at more than $250mn a year.

"We are pleased with the court's decision and look forward to continuing our constructive engagement with the SEC on this important issue," a Citadel Securities spokesperson said in a statement. An SEC spokesperson said the agency was reviewing the decision and would determine next steps as appropriate.

The ruling is a blow to a program that has long been controversial on Wall Street and among political conservatives.

The database, one of the largest ever created, collects almost all US trading data, as many as 500 billion records a day, and gives the SEC a live window into activity across markets. It was first proposed in the wake of the 2010 "flash crash" as regulators sought to piece together the cause of the decline that briefly wiped almost $1tn off US stocks.

Supporters say the CAT gives the SEC greater ability to spot market anomalies and detect fraud. But critics claim the tool could be used to spy on the financial decisions of individual investors.

Citadel Securities raised such arguments in its suit, calling the CAT "Orwellian." But the appeals court said it did not need to address those issues because it had decided the funding plan for CAT was illegal.

President Donald Trump's return to the White House has elevated political critics of the CAT. SEC Chairman Paul Atkins said in a speech in May that he had asked his staff to conduct a comprehensive review of the CAT.

In their suit, Citadel Securities and the ASA said the SEC's funding plan was flawed because it was based on older, lower cost projections.

The court agreed, saying the SEC "unreasonably failed to reconcile that seven-year-old analysis with the increased CAT costs."

Citadel Securities and the ASA's legal challenge received support from the Securities Industry and Financial Markets Association, the Managed Funds Association, the Alternative Investment Management Association and other trade groups representing just about every major US bank, brokerage, hedge fund, private equity and asset management firm — everyone from Goldman Sachs Group Inc to Robinhood Markets Inc.

Rival market maker Virtu Financial Inc signed on separately in a show of unity against a common threat, and Congressional Republicans led by Senator Tom Cotton of Arkansas also filed a brief in support of the challenge.

# Wise turns to US as some investors question dual shares

**Bloomberg**
London

Wise Plc's plan to shift its primary listing out of London gathered momentum after some existing shareholders rebuffed a proposal that would have allowed Chief Executive Officer Kristo Käärmann to keep his so-called golden shares for many more years, according to people familiar with the matter.

In late 2024, Wise's board began consulting with shareholders on a plan that would allow the company to preserve in London the dual-class share structure that gives Käärmann de facto voting control in the company, the people said, asking not to be identified discussing non-public information.

Some shareholders — including co-founder Taavet Hinrikus, who has golden shares of his own — were against the plan to extend that structure, which is due to expire next year, the people said. That, in part, encouraged Wise to accelerate discussions around shifting its primary listing to the US, where valuations are higher and such structures are viewed more favourably, they said. The back-and-forth with investors hasn't been previously reported.

Käärmann, who still has an effective controlling interest in the company he helped found more than a decade ago, has grown Wise, which was previously known as Transferwise, into one of the largest financial technology firms on the planet with a valuation of about £10.5bn ($14.1bn).

"The board considered all aspects, including shareholder feedback, carefully and decided it was in the long-term interests of Wise and its owners to move our primary listing to the US and, as soon as the board made this decision, we announced this intent to the market," a spokesperson for Wise said in a statement. "We're very pleased that, to date, our owners have been overwhelmingly supportive of our proposal."

Wise investors will on Monday vote on the proposal to shift its listing to the US.

The fintech argues that move could ultimately open up its shares to legions of retail and institutional investors, giving it more liquidity and, presumably, boosting its valuation. The US markets offer vastly bigger trading volumes and have delivered greater returns than London in recent years, making them more attractive to prospective investors.


But as part of the proposal, shareholders also have to OK a plan to extend the dual-class share structure for another 10 years. With the current structure, Käärmann has an economic interest in the company of about 18%, but controls half of the voting rights less one vote, according to a filing. Hinrikus, for his part, has a 5.1% stake and controls about 12% of the voting power. In addition to Hinrikus, who's urged fellow shareholders to shoot down the proposal, the company has faced fresh scrutiny from shareholder advisory firms Glass Lewis & Co, Institutional Shareholder Services and PIRC in the days leading up to the vote.

"Glass Lewis believes multi-class share structures with unequal voting rights are typically not in the best interests of common shareholders," the proxy firm said in a report dated July 22.

Wise's board first began discussing listing options after the UK's Financial Conduct Authority introduced new rules last year that caused the firm's shares to be transferred to the so-called Equity Shares (Transition) Category. Companies in this category cannot be included in FTSE Russell indexes, which attract billions of pounds from funds that directly track the benchmark.

Wise would have needed its shares to be upgraded to the Equity Shares (Commercial Companies) Category in order for the company to be eligible for FTSE inclusion. For that, Wise would've needed both FCA approval and changes to certain parts of its articles of association as was outlined at an April investor event.

Ultimately the company unveiled plans on June 5 for a New York primary listing, with Käärmann noting that the US was "the biggest market opportunity in the world for our products." Wise's stock surged as much as 12% that day. It surprised the City of London and prompted more soul-searching among regulators and lawmakers alike about the UK's capital market woes.

Some shareholders were taken aback when, days later, the company began circulating the formal proposal, which included a lengthy defence of the dual-class share structure and why it should be preserved for another decade. That hadn't been mentioned directly in the original announcement.

Investors weren't the only ones who were surprised. Originally, Glass Lewis, ISS and PIRC issued reports encouraging shareholders to vote for the proposal.

# Fitch cuts Finland's credit rating as debt pile keeps growing

**Bloomberg**
Helsinki

Finland suffered its first downgrade in almost a decade after Fitch Ratings cut the Nordic country's credit rating over its failure to rein in ballooning debt.

Fitch late on Friday lowered Finland's long-term rating by one level to AA from AA+, the lowest credit grade among the top three rating companies, almost a year after it issued a negative outlook on the debt. Finland's rating at Fitch is now the third-highest, eight levels above junk.

"Finland's high government debt remains on an upward trajectory, and we do not anticipate sufficient fiscal consolidation to stabilise debt over the medium term," Fitch said in a statement.

The news comes as the government of Prime Minister Petteri Orpo is attempting to right the course of public finances, which have suffered from consecutive deficits since 2009.

The cabinet's stated target is to stabilise the debt-to-GDP ratio in 2027.

In April, the coalition cabinet unveiled a €2.3bn ($2.7bn) package of measures to kick start growth and investment in the subdued economy.

Lower income and corporate tax rates, as well as a smaller levies on food and medicines, are aimed at boosting purchasing power as the economy gradually recovers from two years of contraction, helped by a series of interest-rate cuts by the European Central Bank.

Underlying the efforts is an unaddressed structural shift in the export-led country's industries.

Successive governments have failed to rein in spending to match the loss of income from key industries, including papermaking and consumer electronics.

The triumph of Apple Inc.'s iPhones and iPads accelerated the demise of newsprint demand, and paper production has fallen by more than 70% since a peak in 2007, even as the forest industry remains as one of the country's biggest.

The demise of Nokia Oyj's mobile phones business also left a gap in public finances, as the company had at its peak accounted for about 4% of gross domestic product.

The aftermath of the pandemic and extra spending on defence, combined with the lack of economic growth, have recently put an additional drag on public finances.

With a shrinking workforce and an aged population, the potential growth rate of the economy is near just 1%.

"Fitch assesses that the measures already decided are insufficient to stabilise the debt ratio over the medium term, given the high level of government spending (57.7% of gross domestic product in 2024) due to ageing-related costs, social spending and increased defence spending," it said. "Tax cuts to income and corporate taxes taking place in 2026 and 2027, though supportive of growth, also increase pressure on the budget."

Finland lost its AAA rating about a decade ago in the aftermath of the European debt crisis.

# Money funds take major leap in tokenisation deal, says JPMorgan

**Bloomberg**
New York

The partnership between Goldman Sachs Group Inc and the Bank of New York Mellon Corp to tokenise shares of money-market funds represents a "significant leap forward" for the $7tn-plus industry as it helps boost the appeal of cash as an asset, according to JPMorgan Chase & Co strategists.

The service, which was announced on Wednesday, will allow for institutional investors to subscribe to digital share representations of money-market funds regulated under the 2a-7 rule that sets stringent guardrails for investments to limit risk. BNY will continue to "maintain the official books, records and settlements for the funds within currently approved guidelines," the company said.

BlackRock, Dreyfus, Federated Hermes, Fidelity and Goldman Sachs will participate in its initial launch. These fund families represent 46% of the taxable money-market fund industry, JPMorgan strategists said in a note to clients.

The so-called tokenisation of real-world assets has been hyped as a potentially significant mainstream use case for blockchains, the distributed ledger technology that underpins the market for cryptocurrencies. On Wall Street, it's been a trend as money managers tap into digital-asset interest and potential uses of the technology to promote the asset class.

JPMorgan strategists see it as a way to ensure money funds competitiveness with stablecoins as well as opening up other uses, such as a form of collateral to meet margin requirements.

Stablecoins are digital assets designed to hold a steady value, usually pegged to a traditional currency such as the dollar.

"The true takeaway from this is beyond the typical way we see money funds being used as a cash management asset class — they can now use it as collateral," Teresa Ho at JPMorgan said in an interview. "Instead of posting cash, or posting Treasuries, you can post money-market shares and not lose interest along the way. It speaks to the versatility of money funds."

Investors have poured roughly $276bn into the funds so far this year, according to Crane Data LLC, making it one of the biggest benefactors of the Federal Reserve's current monetary policy. Money funds have seen their coffers swell in recent years, notably in early 2020 for their haven appeal and again as the central bank's rate-hiking cycle boosted yields. Even as the Fed pivoted to cutting rates last year, total assets continued to rise, with these funds typically slower to pass along the effects of lower rates when compared to banks.

While the trends that have kept investors charging into money funds haven't changed and are unlikely to in the immediate future, participants are forging ahead on tokenisation as a way to ensure cash remains an alluring asset class.

The technology "holds immense potential for the future of cash" and if the industry waits too long "cash will lose its crown," State Street Global Advisors President & Chief Executive Officer Yie-Hsin Hung said last month at the Crane's Money Fund Symposium.

The BNY and Goldman partnership also comes after last week's passage of the GENIUS Act, legislation that creates both a state and federal pathway for entities to be approved as a permitted payment stablecoin issuer.

Goldman Sachs Group signage on the floor of the New York Stock Exchange. The partnership between Goldman Sachs and the Bank of New York Mellon to tokenise shares of money-market funds represents a "significant leap forward" for the $7tn-plus industry as it helps boost the appeal of cash as an asset, according to JPMorgan Chase & Co strategists.

# Eurozone growth to stall as short-lived trade boost unwinds

**Bloomberg**
Frankfurt

Key euro-area output data next week are expected to show the economy stagnated in the second quarter, the flipside of tariff-related frontloading that provided an temporary boost at the start of the year. Economists in a Bloomberg poll expect Wednesday's figures to show gross domestic product remained flat in the three months through June, after 0.6% expansion in the first quarter.

That performance was lifted by a sudden increase in trade — particularly visible in Irish figures — before Donald Trump's expected announcement of global import duties.

"A reversal of this effect is likely to weigh on growth," said Simona Delle Chiaie, chief euro-area economist at Bloomberg Economics. "This drag adds to a softer domestic backdrop, with elevated uncertainty holding back household spending and business investment."

Among the bloc's biggest economies, Germany is forecast to see the worst performance with output slipping 0.1% from the previous quarter. Spain is expected to keep growing by 0.6%, with France and Italy expanding just slightly.

While the numbers will be watched closely, the future development of the 20-nation bloc depends greatly on whether the European Union can strike a deal with the US that avoids the harshest tariffs threatened by Trump. Reports this week suggested negotiators are closing in on a deal that would set them at 15% — a scenario that German exporters "could live with," according to Ifo President Clemens Fuest. European Central Bank President Christine Lagarde also highlighted the economy's resilience after policymakers held interest rates steady for the first time in a year. While she acknowledged that frontloading played a role, she also cited "increased consumption and increased investment."

Meanwhile, inflation data for the bloc on Friday is set to confirm the ECB's confidence that it's been brought under control. Consumer prices are forecast to have risen 1.9% in July, less than the previous month's 2% and just below the central bank's goal. A measure of underlying inflation probably remained steady, at 2.3%.

The ECB predicts inflation will meet its 2% target in the medium term following an extended dip below that threshold. A threat to that view is the strength of the euro, which could put further downward pressure on import costs and make exports less competitive.

A detrimental trade deal with the US would probably also result in weaker inflation, though it depends on how the EU would respond. ECB officials hope to have more clarity at their September meeting, when a new set of projections would allow them to assess a potential agreement.

In an interview published yesterday, ECB Executive Board member Piero Cipollone said the economy is sending "conflicting signals."

"In September - and later this year - we will have more information, which will feed into revised macroeconomic projection," he told Slovenia's Delo. "We will need to see how prices in the euro area are affected by trade disruptions - including their impact on supply chains as well as on trade diversion that is already resulting in higher euro area imports from China."

The Qatar Stock Exchange (QSE) index closed the week at a three-year high, rising by 305.56 points or 2.8% to close at 11,220.76. Market capitalisation rose 2.5% to QR663.8bn from QR647.6bn at the end of the previous trading week.

Of the 53 traded companies, 36 ended the week higher, 14 ended lower and three remained unchanged. Qatar Islamic Bank (QIBK) was the best performing stock for the week, rising 7.3%. Meanwhile, Mannai Corporation (MCCS) was the worst performing stock for the week, declining by 11.2%.

Qatar Islamic Bank (QIBK), QNB Group (QNBK) and Industries Qatar (IQCD) were the main contributors to the weekly index rise. They added 126.45, 96.30 and 38.45 points to the index, respectively.

Traded value during the week increased 3.7% to QR2,325.7mn from QR2,2426mn in the prior trading week. Mannai Corporation (MCCS) was the top value traded stock during the week with total traded value of QR207.5mn.

Traded volume increased 23.5% to 950.2mn shares compared with 769.6mn shares in the prior trading week. The number of transactions declined 17.0% to 94,990 vs 115,627 in the prior week. Ezdan Holding Group (ERES) was the top volume traded stock during the week with total traded volume of 114.7mn shares.

Foreign institutions remained bullish, ending the week with net buying of QR159.1mn vs net buying of QR183.6mn in the prior week. Qatari institutions remained bearish, with net selling of QR21.1mn vs net selling of QR21.8mn in the week before. Foreign retail investors ended the week with net selling of QR8.2mn vs net selling of QR19.9mn in the prior week. Qatari retail investors recorded net selling of QR129.7mn vs net selling of QR141.9mn.

Global foreign institutions are net buyers of Qatari equities by $93.5mn YTD, while GCC institutions are net short by $23.0mn.

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QNB FINANCIAL SERVICES

# Weekly Market Report

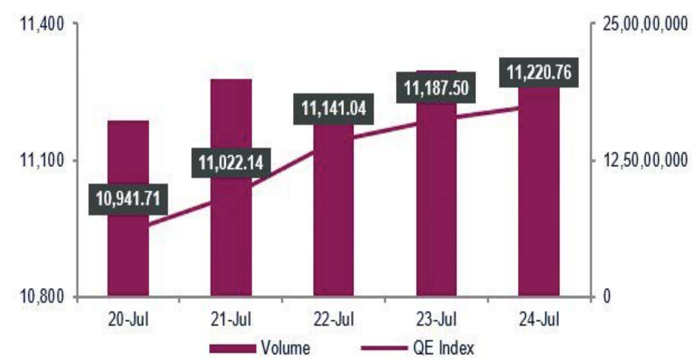
| Market Indicators | Week ended. July 24, 2025 | Week ended. July 17, 2025 | Chg. % |
|---|---|---|---|
| Value Traded (QR mn) | 2,325.7 | 2,242.6 | 3.7 |
| Exch. Market Cap. (QR mn) | 663,804.4 | 647,654.2 | 2.5 |
| Volume (mn) | 950.2 | 769.6 | 23.5 |
| Number of Transactions | 95,990 | 115,627 | (17.0) |
| Companies Traded | 53 | 53 | 0.0 |
| Market Breadth | 36:14 | 39:12 | – |

Source: Qatar Stock Exchange (QSE)

| Market Indices | Close | WTD% | MTD% | YTD% |
|---|---|---|---|---|
| Total Return | 26,606.48 | 3.2 | 4.9 | 10.4 |
| ALL Share Index | 4,167.85 | 3.2 | 4.8 | 10.4 |
| Banks and Financial Services | 5,301.71 | 4.7 | 7.0 | 11.9 |
| Industrials | 4,470.34 | 2.2 | 4.5 | 5.3 |
| Transportation | 5,778.28 | (0.2) | (1.5) | 11.9 |
| Real Estate | 1,675.00 | 0.4 | 2.3 | 3.6 |
| Insurance | 2,451.08 | 0.5 | (1.3) | 4.4 |
| Telecoms | 2,192.99 | 2.0 | 0.4 | 21.9 |
| Consumer Goods & Services | 8,376.06 | 1.5 | 4.0 | 9.3 |
| Al Rayan Islamic Index | 5,305.77 | 2.4 | 3.7 | 8.9 |

Source: Qatar Stock Exchange (QSE)

### QSE Index and Volume




Source: Qatar Stock Exchange (QSE)

### Weekly Index Performance

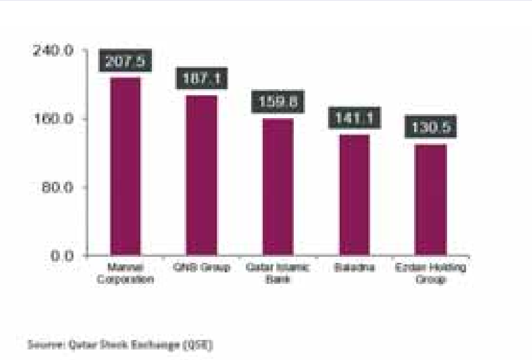

Source: Bloomberg

| Regional Indices | Close | WTD% | MTD% | YTD% | Weekly Exchange Traded Value ($ mn) | Exchange Mkt. Cap. ($ mn) | TTM P/E** | P/B** | Dividend Yield |
|---|---|---|---|---|---|---|---|---|---|
| Qatar* | 11,220.76 | 2.8 | 4.4 | 6.1 | 638.28 | 182,081.6 | 12.4 | 1.4 | 4.4 |
| Dubai | 6,111.46 | 0.1 | 7.1 | 18.5 | 727.36 | 287,444.6 | 10.6 | 1.8 | 4.8 |
| Abu Dhabi | 10,300.81 | 0.6 | 3.4 | 9.4 | 1,475.50 | 788,262.9 | 20.8 | 2.7 | 2.2 |
| Saudi Arabia# | 10,983.93 | (0.2) | (1.6) | (8.7) | 5,870.04 | 2,412,479.6 | 16.9 | 2.0 | 4.3 |
| Kuwait | 8,592.26 | (0.1) | 1.6 | 16.7 | 1,743.28 | 168,389.4 | 21.2 | 1.5 | 3.1 |
| Oman | 4,718.56 | 1.4 | 4.8 | 3.1 | 307.67 | 34,895.2 | 9.4 | 0.9 | 6.1 |
| Bahrain | 1,953.09 | 0.4 | 0.5 | (1.7) | 115.74 | 20,103.2 | 13.3 | 1.4 | 4.0 |

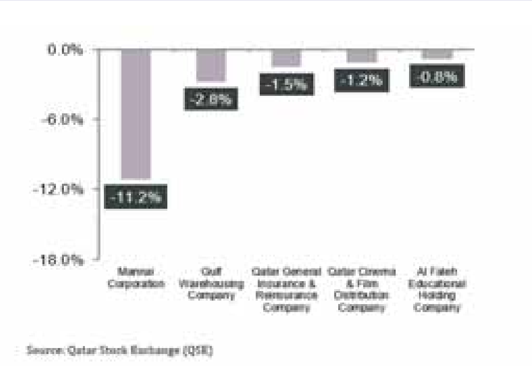
Source: Bloomberg

### Qatar Stock Exchange

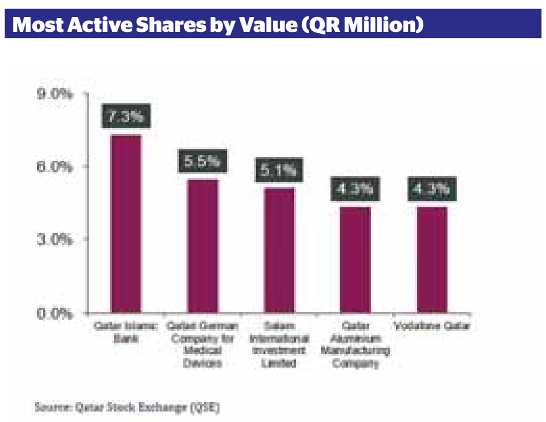
#### Top Five Gainers



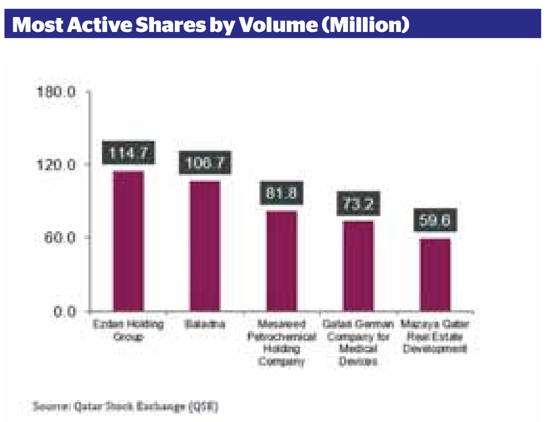

#### Top Five Decliners



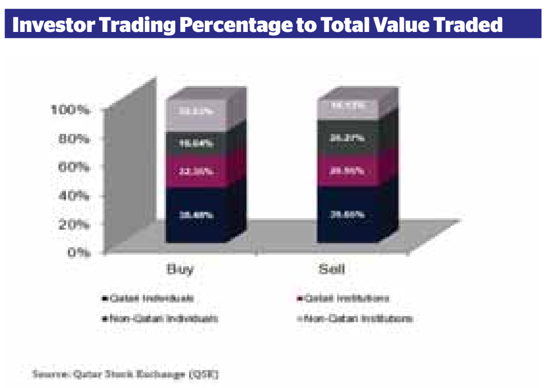

#### Most Active Shares by Value (QR Million)



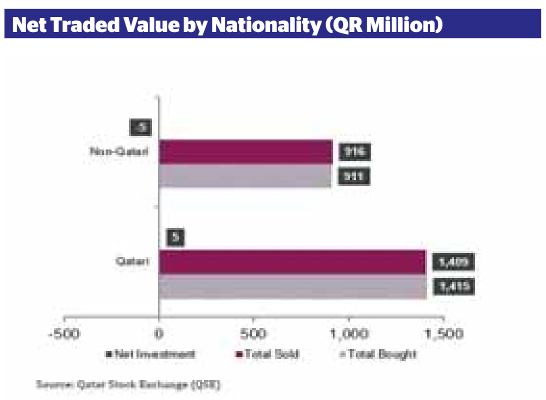

#### Most Active Shares by Volume (Million)




#### Investor Trading Percentage to Total Value Traded




#### Net Traded Value by Nationality (QR Million)




| Company Name | Price July 24 | % Change Weekly | % Change YTD | Market Cap. QR Million | TTM P/E | P/B | Div. Yield |
|---|---|---|---|---|---|---|---|
| Qatar National Bank | 18.50 | 3.87 | 7.00 | 170,874 | 10.8 | 1.8 | 3.9 |
| Qatar Islamic Bank | 24.90 | 7.33 | 16.57 | 58,837 | 13.0 | 2.1 | 3.2 |
| Commercial Bank of Qatar | 4.70 | 2.74 | 7.93 | 19,002 | 7.2 | 0.9 | 6.4 |
| Doha Bank | 2.46 | 0.61 | 23.30 | 7,612 | 8.7 | 0.7 | 4.1 |
| Al Ahli Bank | 3.74 | 0.70 | 8.52 | 9,551 | 11.0 | 1.3 | 6.7 |
| Qatar International Islamic Bank | 11.49 | 3.61 | 5.41 | 17,392 | 14.5 | 2.3 | 4.4 |
| Al Rayan Bank | 2.34 | (0.13) | (5.20) | 21,716 | 14.5 | 0.9 | 4.3 |
| Lesha Bank | 1.89 | 0.32 | 39.29 | 2,112 | 13.5 | 1.5 | 2.7 |
| National Leasing | 0.74 | 0.00 | (4.87) | 367 | 20.2 | 0.6 | 4.7 |
| Dlala Holding | 1.06 | (0.38) | (7.92) | 201 | N/A | 1.1 | N/A |
| Qatar & Oman Investment | 0.68 | 2.09 | (2.56) | 215 | N/A | 1.3 | N/A |
| Islamic Holding Group | 3.32 | (0.03) | (12.23) | 188 | 27.3 | 1.1 | 2.1 |
| Dukhan Bank | 3.62 | 0.92 | (2.06) | 18,942 | 14.5 | 1.4 | 4.4 |
| **Banking and Financial Services** | | | | **327,010** | | | |
| Zad Holding | 14.61 | 0.14 | 3.11 | 4,199 | 20.2 | 2.8 | 4.8 |
| Qatar German Co. for Medical Devices | 1.52 | 5.48 | 10.95 | 176 | N/A | N/A | N/A |
| Salam International Investment | 0.72 | 5.12 | 8.94 | 822 | 13.6 | 0.5 | 5.6 |
| Baladna | 1.33 | 1.77 | 5.90 | 2,519 | 18.8 | 1.1 | N/A |
| Medicare Group | 5.65 | 0.89 | 24.18 | 1,590 | 17.7 | 1.6 | 3.5 |
| Qatar Cinema & Film Distribution | 2.37 | (1.17) | (1.13) | 149 | 38.6 | 1.2 | 2.9 |
| Qatar Fuel | 15.18 | (0.13) | 1.20 | 15,093 | 14.6 | 1.7 | 6.6 |
| Widam Food | 2.25 | 1.08 | (4.26) | 405 | N/A | 4.7 | N/A |
| Mannai Corp. | 6.09 | (11.15) | 67.29 | 2,776 | 15.7 | 2.9 | 4.1 |
| Al Meera Consumer Goods | 14.78 | 0.20 | 1.79 | 3,045 | 16.3 | 1.8 | 5.8 |
| Mekdam Holding Group | 2.86 | 0.00 | (5.58) | 458 | 11.5 | 1.9 | N/A |
| Meeza QSTP | 3.19 | 0.06 | (2.60) | 2,070 | 33.5 | 3.0 | 2.5 |
| Al Faleh Education Holding | 0.73 | (0.82) | 4.60 | 174 | 13.9 | 0.7 | 2.6 |
| Al Mahhar Holding | 2.34 | 1.34 | (4.53) | 484 | N/A | 1.3 | 5.1 |
| **Consumer Goods and Services** | | | | **33,960** | | | |
| Qatar Industrial Manufacturing | 2.56 | 0.75 | 1.99 | 1,217 | 8.2 | 0.6 | 5.1 |
| Qatar National Cement | 3.45 | (0.29) | (14.16) | 2,255 | 16.7 | 0.8 | 7.8 |
| Industries Qatar | 13.10 | 2.75 | (1.28) | 79,255 | 19.0 | 2.2 | 5.6 |
| Qatari Investors Group | 1.51 | 0.13 | (2.15) | 1,871 | 11.4 | 0.6 | 8.6 |
| Qatar Electricity and Water | 16.69 | 1.77 | 6.31 | 18,359 | 13.3 | 1.2 | 4.7 |
| Aamal | 0.83 | 0.97 | (2.46) | 5,248 | 11.9 | 0.6 | 7.2 |
| Gulf International Services | 3.31 | (0.03) | (0.63) | 6,146 | 8.0 | 1.5 | 5.1 |
| Mesaieed Petrochemical Holding | 1.37 | 2.69 | (8.23) | 17,237 | 24.2 | 1.1 | 4.2 |
| Estithmar Holding | 3.42 | 0.74 | 102.00 | 12,817 | 27.4 | 2.4 | N/A |
| Qatar Aluminum Manufacturing | 1.44 | 4.35 | 18.81 | 8,035 | 11.7 | 1.2 | 5.6 |
| **Industrials** | | | | **152,440** | | | |
| Qatar Insurance | 2.05 | 0.29 | (3.39) | 6,699 | 11.9 | 1.1 | 4.9 |
| QLM Life & Medical Insurance | 2.00 | 0.35 | (3.20) | 700 | 11.0 | 1.1 | 5.0 |
| Doha Insurance | 2.62 | 1.99 | 4.80 | 1,310 | 6.9 | 1.0 | 6.7 |
| Qatar General Insurance & Reinsurance | 1.30 | (1.52) | 12.75 | 1,138 | 18.2 | 0.3 | N/A |
| Al Khaleej Takaful Insurance | 2.46 | 2.88 | 3.10 | 629 | 9.4 | 1.1 | 6.1 |
| Qatar Islamic Insurance | 8.69 | (0.09) | 0.17 | 1,304 | 9.0 | 2.3 | 5.8 |
| Damaan Islamic Insurance Company | 3.93 | 2.00 | (0.73) | 785 | 8.5 | 1.4 | 5.1 |
| **Insurance** | | | | **12,563** | | | |
| United Development | 1.04 | (0.10) | (7.39) | 3,682 | 10.9 | 0.3 | 5.3 |
| Barwa Real Estate | 2.82 | 0.36 | (0.35) | 10,973 | 8.8 | 0.5 | 6.4 |
| Ezdan Real Estate | 1.13 | 0.89 | 7.01 | 29,973 | 83.8 | 0.9 | N/A |
| Mazaya Qatar Real Estate Development | 0.63 | 3.47 | 7.19 | 626 | N/A | 0.6 | N/A |
| **Real Estate** | | | | **45,255** | | | |
| Ooredoo | 12.81 | 1.26 | 10.91 | 41,033 | 11.8 | 1.5 | 5.1 |
| Vodafone Qatar | 2.40 | 4.35 | 31.15 | 10,145 | 16.6 | 2.2 | 5.0 |
| **Telecoms** | | | | **51,178** | | | |
| Qatar Navigation (Milaha) | 10.98 | (0.18) | (0.09) | 12,475 | 11.0 | 0.7 | 3.6 |
| Gulf Warehousing | 2.80 | (2.81) | (16.80) | 164 | 12.6 | 0.7 | 3.6 |
| Qatar Gas Transport (Nakilat) | 4.90 | 0.00 | 18.10 | 27,147 | 16.3 | 2.1 | 2.9 |
| **Transportation** | | | | **39,787** | | | |
| **Qatar Exchange** | | | | **663,804** | | | |

Source: Bloomberg

# Technical analysis of the QSE index

The QSE index closed up by 2.8% for the week at 11,220.8 points. The index closed above the hard resistance level around 10,800 and the psychological resistance at 11,000 points. Major moving averages are placed positively and pointing upwards. The mentioned are the precursors of a fresh uptrend, targeting the 12,300-12,500 points as a potential first target. The recent resistance levels breached upwards are now considered support levels, which are expected to be tested in the short term and could be a place for accumulation.

## Definitions of key terms used in technical analysis

RSI (Relative Strength Index) indicator – RSI is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between 0 to 100. The index is deemed to be overbought once the RSI approaches the 70 level, indicating that a correction is likely. On the other hand, if the RSI approaches 30, it is an indication that the index may be getting oversold and therefore likely to bounce back.

MACD (Moving Average Convergence Divergence) indicator – The indicator consists of the MACD line and a signal line. The divergence or the convergence of the MACD line with the signal line indicates the strength in the momentum during the uptrend or downtrend, as the case may be. When the MACD crosses the signal line from below and trades above it, it gives a positive indication. The reverse is the situation for a bearish trend.

Candlestick chart – A candlestick chart is a price chart that displays the high, low, open, and close for a security. The 'body' of the chart is portion between the open and close price, while the high and low intraday movements form the 'shadow'. The candlestick may represent any time frame. We use a one-day candlestick chart (every candlestick represents one trading day) in our analysis.

WEEKLY ENERGY MARKET REVIEW

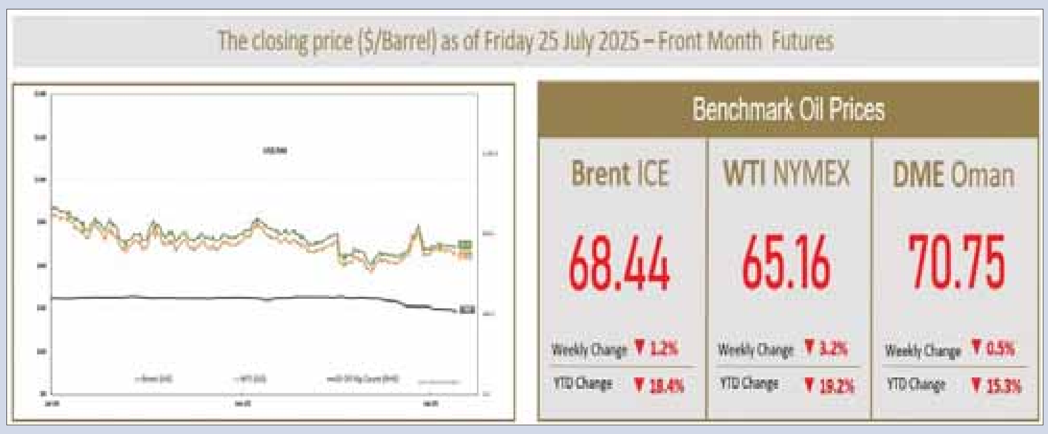
# Oil falls to settle at 3-week low on US, China economic concerns

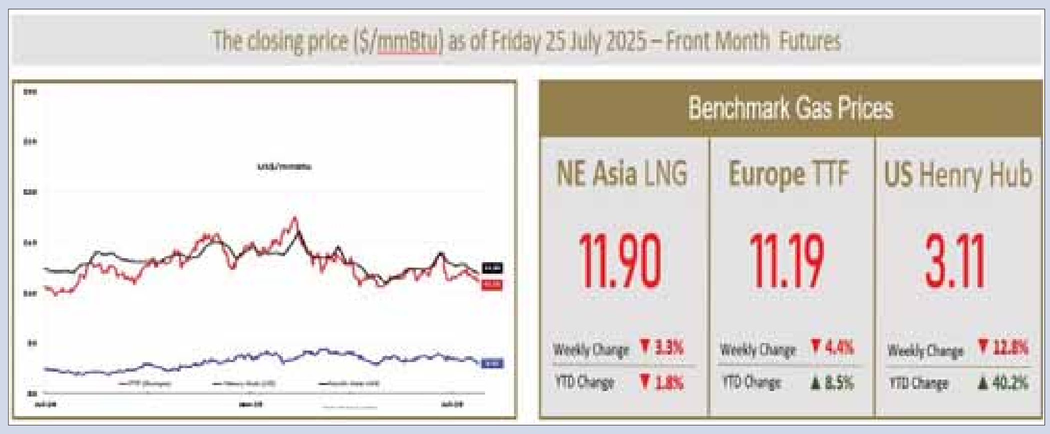
www.abhafoundation.org

**Oil**

Oil prices eased on Friday and settled at a three-week low as traders worried about negative economic news from the US and China and signs of growing supply.
Losses were limited by optimism US trade deals could boost global economic growth and oil demand in the future. Brent crude futures fell 74 cents, or 1.1%, to settle at $68.44, while US West Texas Intermediate (WTI) crude fell 87 cents, or 1.3%, to settle at $65.16.
For the week, Brent was down about 1% with WTI down about 3%.
New orders for US-manufactured capital goods unexpectedly fell in June while shipments of those products increased moderately, suggesting business spending on equipment slowed considerably in the second quarter.
Meanwhile, the US is preparing to allow partners of Venezuela's state-run PDVSA starting with US oil major Chevron, to operate with limitations in the sanctioned nation, sources said on Thursday.
That could boost Venezuelan oil exports by a little more than 200,000 barrels per day (bpd), news US refiners would welcome, as it would ease tightness in the heavier crude market. US energy firms last week cut the number of oil and natural gas rigs operating for the 12th time in 13 weeks, energy services firm Baker Hughes said. In China, the world's second-biggest economy, fiscal revenue dipped 0.3% in the first six months from a year earlier, the finance ministry said, maintaining the rate of decline seen between January and May.

US stock exchange building facade in New York. Oil prices eased on Friday and settled at a three-week low as traders worried about negative economic news from the US and China and signs of growing supply. *Picture supplied by the Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.*




**Gas**

Asian spot liquefied natural gas (LNG) prices slipped for a second consecutive week to a ten-week low, weighed down by tepid demand and increasing supply from new projects. The average LNG price for September delivery into north-east Asia was at $11.90 per million British thermal units (mmBtu), industry sources estimated. This is down from $12.30 per mmBtu last week and its lowest since May 16. Despite the heatwave, spot demand in Northeast Asia has remained limited, as much of the additional cooling demand is being met by cheaper coal-fired power generation. Also, increased renewables generation has pushed some coal-fired generation out of the baseload mix, allowing more available dispatchable capacity to meet peak demand. The prospect of supply growth in the coming months also weighed on prices, particularly with expectations that Canadian supply will increase following the commencement of production at the LNG Canada project.
Meanwhile, Venture Global's Plaquemines export facility, which has begun production from its second phase, has reached record output, while the Greater Tortue Ahmeyim project offshore Mauritania and Senegal has been operating smoothly since loading its first cargo.
In Europe, the futures price at the Dutch TTF hub dropped to $11.19 per mmBtu. A fall in spot Asian LNG demand over the past weeks has allowed European buyers to bid at wider discounts to the TTF to secure cargoes.

■ *This article was supplied by the Abdullah bin Hamad Al-Attiyah International Foundation for Energy and Sustainable Development.*

# S&P 500's humming profit engine can keep powering stocks rally

**Bloomberg**
New York

A solid earnings season shows Corporate America's profit engine is humming along, potentially easing worries that the record-setting rally in US stocks is starting to overheat.
With about a third of S&P 500 Index members reporting by Thursday's close, this earnings cycle is turning out to be much more robust than expected. Around 83% of companies have exceeded analysts' profit estimates, according to data compiled by Bloomberg Intelligence. That's on track for the highest share of beats since the second quarter of 2021.
The S&P 500 is up 28% since hitting a low on April 8, setting a series of record highs over the past few weeks. Even a version of the US benchmark that weights all members equally, rather than by market value, has notched a record. Those advances have come as fears about the impact of tariffs on the economy ebbed and investors slowly returned to stocks, abandoning an extreme aversion to risk.
For the gains to persist, corporate earnings will need to keep impressing investors, and Mark Hackett at Nationwide says the earnings season is pointing in that direction.
"As some of the pessimistic scenarios are fading, management commentary is less conservative and estimates for 2025 and 2026 are beginning to increase, which provides that tailwind," said the firm's chief market strategist.
Several major companies have been upbeat. Alphabet Inc. saw demand for artificial intelligence products boosting quarterly sales. Homebuilders DR Horton Inc and PulteGroup Inc reported better-than-expected earnings, sparking a relief rally in the stocks. Netflix Inc. raised its forecast for full-year sales and profit margins. And Levi Strauss & Co said it expected sales growth to outweigh the effect of tariffs.
Most companies are topping estimates for a quarter where many analysts lowered their expectations, anticipating a weak reporting period amid heightened uncertainty about trade policy and economic growth. Before the cycle started, S&P 500 companies were expected to post a profit increase of 2.8% year-over-year in the second quarter, according to data compiled by BI. So far, overall earnings growth is 4.5%. Meanwhile, economic data is also showing no immediate cause for alarm.
Applications for US unemployment benefits fell for a sixth straight week, Labor Department data showed on Thursday, suggesting the job market is staying resilient.
"While the labour market is not firing on all cylinders, it's not showing signs of distress either," said Bret Kenwell, US investment analyst at EToro. That should help investors breathe easy, Kenwell said.

An external view of the New York Stock Exchange building. The S&P 500 is up 28% since hitting a low on April 8, setting a series of record highs over the past few weeks.

# Banks unload $2bn of hung debt tied to Patterson buyout

**Bloomberg**
New York

Banks led by UBS Group AG and Citigroup Inc have revived and offloaded about $2bn of debt to support Patient Square Capital's acquisition of Patterson Cos, more than three months after the bonds and loans got stuck on their books due to tariff turmoil in the market.
The $1.425bn leveraged loan, led by UBS, increased in size and priced at 4.5 percentage points over the benchmark rate with a relatively small discounted price of 90 cents on the dollar on Friday, due to strong investor demand, according to a person familiar with the matter.
Similarly, a $500mn senior secured bond, led by Citi, finished up on Thursday with a discounted price of 94.5 cents on the dollar, compared with early discussions of a discount of 93 to 94 cents on the dollar, said a different person.
Representatives for Citigroup and UBS declined to comment. Representatives for Patient Square and Patterson did not immediately respond to requests for comment.
The banks that underwrote the deal are now holding about $325mn of remaining debt in what the industry calls a "pooled sell-down facility," which requires them to all agree on terms and timing to reduce their remaining exposure proportionately, according to one of the people.
Patterson was one of a handful of deals that got stalled or stuck on bank balance sheets after US President Donald Trump made a sweeping tariff announcement on April 2. The company, which supplies everything from dental equipment to drugs for pets and livestock, was acquired by private equity firm Patient Square later that month while debt markets were essentially frozen, leaving banks "hung" with the debt in Wall Street parlance.
In recent weeks, though, leveraged finance markets have blossomed with activity, allowing banks to sell a slew of risky debt. Since Monday, about $85bn worth of leveraged loans have come to the US market and a number of companies, including Digicel Group Holdings Ltd, have also tapped high-yield bond investors for sizeable offerings.
The Patterson sale went better than some had expected, with banks offering pricing that was only slightly more generous than in the initial launch. They also earned income on the full $2.35bn of buyout debt, which over three month equates to roughly $50mn. Altogether, the fees softened the blow of any potential losses.
Other hung deals that have not yet relaunched include a $1.1bn leveraged loan supporting HIG Capital's buyout of Toronto-based Converge Technology Solutions Corp, known as Cardinal because of the combined company's new name, and $2.25bn in debt supporting ABC Technologies Holdings Inc's purchase of TI Fluid Systems.

# Germany's budget cuts leave heavy industry stuck with dirty tech

**Bloomberg**
Berlin

In Geseke, a small town in Germany's western industrial heartland, plans to launch a large-scale carbon capture project at a local cement plant have been put on ice.
Operator Heidelberg Materials AG had received European Union subsidies for the green project that's set to save 700,000 tonnes of carbon emissions annually, and planned to start construction next year. But the company — which last month started capturing and liquefying emissions in Norway — is no longer staking out a timeline for its German project because the conditions for a prompt, final investment decision aren't given.
Germany's new conservative-led government has thrown its weight behind carbon capture and storage, touting it as a pragmatic path to meeting legally-binding climate goals in sectors that are hard to decarbonise. But while Chancellor Friedrich Merz has pledged to fast-track the technology by lifting regulatory barriers, the government's sweeping budget cuts are undercutting the very projects it says it supports. The result is a climate strategy caught between political convenience and fiscal restraint — leaving the country's most emissions-intensive industries facing a rising cost of carbon emissions in the coming years with German industry already struggling to stay in business.
Berlin recently revived a draft proposal that was left unfinished by the previous government to legalise CCS. Yet funds for a clean industry programme — which was developed to support everything from hydrogen to carbon capture — are set to be slashed to €1.8bn ($2.1n) from €24.5bn in the mid-term, according to this year's draft budget law that's currently being discussed in parliament.
While the ruling coalition has promised to stick to the nation's 2045 climate neutrality goal, it's becoming increasingly unclear who will foot the bill. "If the government de-prioritises funding for the decarbonisation of industry, this would be by far the most problematic measure in terms of climate protection," said Jens Burchardt, co-founder of Boston Consulting Group's Center for Climate and Sustainability.
The nation's manufacturers are already struggling with layers of red tape, high energy prices and a shortage of skilled staff. They will come under additional pressure in the coming years as costs for polluting the environment increase. "Against this backdrop, withdrawing the financial support companies need to invest in green alternatives at the same time is a recipe for the further deindustrialisation of Germany," said Burchardt.
Swiss building materials specialist Holcim AG, which plans a carbon capture project near Hanover, said the budget cuts have led to uncertainty throughout the industry as to how decarbonisation funding will continue overall. A representative for industry group Carbon Management Alliance said the cuts are a setback for climate targets. The government's key programme to help clean up its heavy industries relies on an auction instrument to bridge the pricing difference between conventional processes and cleaner, more expensive alternatives. While a first auction last October awarded contracts to 15 projects, an economy ministry spokesperson said preparations for a potential second round were "complex," though it's technically possible for another to take place this year.
One company that could be eligible to participate is Hamburg-based copper recycler Aurubis AG. It installed two hydrogen-ready anode furnaces last year, but with no hydrogen available at competitive prices, it continues to burn natural gas in its state-of-the-art ovens.
At an energy conference last month, economy minister Katherina Reiche explained that the expected demand for hydrogen isn't materialising, or is very delayed. Meanwhile, the German budget envisions slashing two-thirds of the funding the previous administration allocated to hydrogen. Of course, the lack of state support isn't the only reason why decarbonisation projects are stuck or failing.
For example, when steelmaker ArcelorMittal SA last month announced it would hand back a €1.3bn subsidy for two local green steel units, it pointed to "unprecedented" market pressure, weak demand, unfavourable European policy and high electricity prices.
That's an even bigger problem for the chemical industry in Germany which is facing factory closures, layoffs and production cuts. "I can only spend every euro once," said Martin Naundorf from Infraleuna GmbH, operator of a chemical hub in the country's east.
Given the current conditions, "nobody can afford to invest in technologies where it's unclear when they'll become profitable."
However, the state could also change its procurement strategy to help climate technologies reach market maturity, a measure the coalition already agreed upon.