

## Market Review and Outlook

The Qatar Stock Exchange (QSE) Index decreased by 182.05 points, or 1.71% during the week, to close at 10,442.01. Market capitalization declined by 1.7% to reach QR579.5 billion (bn) as compared to QR589.8bn at the end of the previous week. Of the 46 listed companies, 13 companies ended the week higher, while 31 fell and 2 remained unchanged. Qatar First Bank (QFBQ) was the best performing stock for the week, with a gain of 9.2%. On the other hand, Qatar National Cement Company (QNCD) was the worst performing stock with a decline of 6.5%.

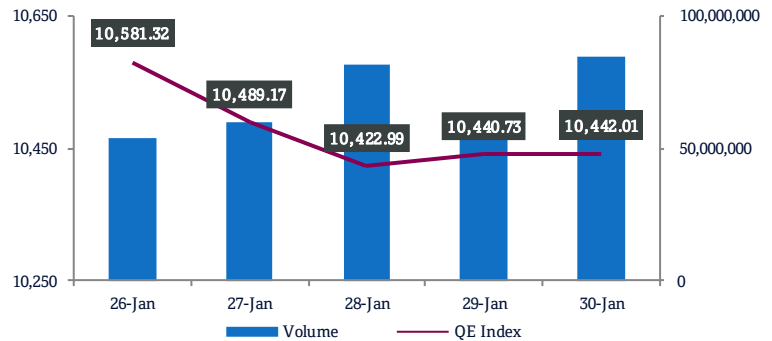
Industries Qatar (IQCD), QNB Group (QNBK) and Commercial Bank of Qatar (CBQK) were the primary contributors to the weekly index decline. IQCD was the biggest contributor to the index's weekly decrease, deleting 40.6 points from the index. QNBK was the second biggest contributor to the mentioned loss, removing 27.6 points from the index. Moreover, CBQK shed 23.6 points from the index.

Trading value during the week decreased by 25.9% to reach QR877.9mn vs. QR1,184.9mn in the prior week. The Banks & Financial Services sector led the trading value during the week, accounting for 53.0% of the total trading value. Industrials sector was the second biggest contributor to the overall trading value, accounting for 16.8% of the total trading value. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR185.8mn.

Trading volume decreased by 35.2% to reach 343.2mn shares vs. 529.3mn shares in the prior week. The number of transactions fell by 7.1% to reach 21,702 transactions versus 23,363 transactions in the prior week. Banks & Financial Services sector led the trading volume, accounting for 35.4%, followed by the Real Estate sector comprising 22.3% of the overall trading volume. Qatar First Bank (QFBQ) was the top volume traded stock during the week with total traded volume of 52.0mn shares.

Foreign institutions ended the week with net selling of QR41.7mn vs. net buying of QR137.8mn in the prior week. Qatari institutions turned negative with net selling of QR6.0mn vs. net buying of QR108.2mn in the week before. Foreign retail investors turned positive with net buying of QR6.7mn vs. net selling of QR12.9mn in the prior week. Qatari retail investors turned bullish with net buying of QR41.0mn vs. net selling of QR233.1mn the week before. Foreign institutions have bought (net basis) ~\$170.8mn worth of Qatari equities in so far in 2020.

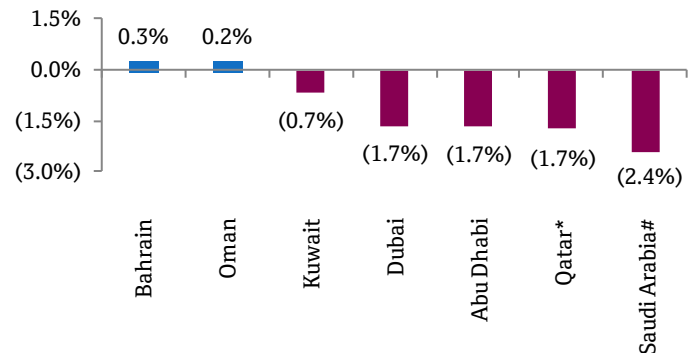
## QSE Index and Volume



Market Indicators	Week ended Jan 30, 2020	Week ended Jan 23, 2020	Chg. %
Value Traded (QR mn)	877.9	1,184.9	(25.9)
Exch. Market Cap. (QR mn)	579,469.2	589,788.0	(1.7)
Volume (mn)	343.2	529.3	(35.2)
Number of Transactions	21,702	23,363	(7.1)
Companies Traded	46	46	0.0
Market Breadth	13:31	18:25	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	19,214.19	(1.7)	0.2	0.2
ALL Share Index	3,100.32	(1.6)	0.0	0.0
Banks and Financial Services	4,300.98	(1.2)	1.9	1.9
Industrials	2,800.62	(3.2)	(4.5)	(4.5)
Transportation	2,533.84	(1.3)	(0.8)	(0.8)
Real Estate	1,571.74	(2.1)	0.4	0.4
Insurance	2,752.99	0.0	0.7	0.7
Telecoms	893.01	(0.9)	(0.2)	(0.2)
Consumer Goods & Services	8,453.94	(2.2)	(2.2)	(2.2)
Al Rayan Islamic Index	3,917.97	(1.9)	(0.8)	(0.8)

## Weekly Index Performance



Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value (\$ mn)	Exchange Mkt. Cap. (\$ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	10,442.01	(1.7)	0.2	0.2	239.77	158,137.1	14.7	1.5	4.1
Dubai	2,790.42	(1.7)	0.9	0.9	283.35	104,178.4	13.4	1.0	4.2
Abu Dhabi	5,156.19	(1.7)	1.6	1.6	239.86	146,106.6	16.0	1.4	4.8
Saudi Arabia#	8,185.51	(2.4)	(2.4)	(2.4)	4,518.66	2,340,256.8	21.9	1.8	3.3
Kuwait	6,324.99	(0.7)	0.7	0.7	725.50	118,664.5	15.8	1.5	3.4
Oman	4,079.29	0.2	2.5	2.5	29.91	17,459.4	7.3	0.7	7.3
Bahrain	1,657.63	0.3	2.9	2.9	20.19	26,024.5	13.2	1.0	4.7

Source: Bloomberg, country exchanges and Zawya (\*\* Trailing Twelve Months; \* Value traded (\$ mn) do not include special trades, if any; #Data as of January 29, 2020)

## Economic News / Market &amp; Corporate News

- Qatar posts December trade surplus of QR14.3bn amid crude exports jump** – Qatar's crude exports witnessed a robust 21% YoY expansion as it reported trade surplus of QR14.3bn in December 2019, according to the country's Planning and Statistics Authority (PSA). The trade surplus, however, saw a 10% decline YoY, even as it showed a 14% growth on a monthly basis, the PSA report said. In December 2019, total exports of goods (including exports of goods of domestic origin and re-exports) amounted to QR23.59bn, which registered 7.2% YoY decline but showed a 6.4% MoM growth. The exports of petroleum gases and other gaseous hydrocarbons fell 6.7% YoY to QR14.95bn, non-crude by 17.6% to QR1.36bn and other commodities by 13.9% to QR2.38bn; whereas those of crude soared 20.9% to QR4.09bn at the end of December 2019. On a monthly basis, the exports of petroleum gases and other gaseous hydrocarbons shot up 6.3%, non-crude by 28.1% and other commodities by 9%; while those of crude were down 3.8%. Petroleum gases constituted 66% of the exports of domestic products compared to 68% a year ago period, crude 18% (14%), non-crude 6% (7%) and other commodities 10% (11%). The country's re-exports amounted to QR0.82bn in December 2019, which showed shrinkage of 19.8% on a yearly basis but witnessed a 32.8% surge on a monthly basis. Qatar's total imports (valued at cost insurance and freight) amounted to QR9.29bn, which showed 2.7% and 4% declines YoY and MoM, respectively in December 2019. The bulk of the exports continued to go towards Asia, which constituted more than 72% of the total. In absolute terms, Japan, China, South Korea, India and Singapore were among the largest export markets of Qatar; while imports mainly came from the US, China, Germany, the UK and Italy during the period under review. (Gulf-Times.com)
- Oversupply in Qatar's real estate market likely to peak in the next 2-3 years** – Oversupply in Qatar's real estate market is likely to reach a peak in the next two to three years as new supply is delivered prior to the 2022 FIFA World Cup. The new supply is likely to slow down thereafter until it is absorbed by new demand, leading global real estate consultant Cushman & Wakefield said in its 2020 outlook which was announced during the company's quarterly breakfast briefing on Qatar's real estate performance yesterday. It added that there will be a temporary peak in demand in late 2022, which will distort the market dynamics temporarily. Major investment in tourism projects should provide a welcome boost to the tourism sector, but sustaining 50,000 hotel rooms may prove a challenge in the coming years. However, government initiatives, deregulation and relaxed ownership rules will help to diversify the economy and encourage inward investment, which is required to sustain the real estate market. The high concentration in new real estate development projects continues to put downward pressure on rents, as supply of residential, office, and retail property surpasses the growth in demand. The launch of Qatar Rail services last year also provided substantially increased connectivity between the city's residential, commercial and
- leisure districts providing a boost to real estate developments in proximity to the 37 metro stations. (Peninsula Qatar)
- Cabinet approves draft law for food safety committee** – The Cabinet has approved its draft decision on the establishment of a permanent committee concerned with food safety in the country. This came during the Cabinet's regular meeting Wednesday, the official Qatar News Agency (QNA) reported. According to the provisions of the draft, the 'Standing Committee for Human Food Safety' will be established at the Ministry of Public Health (MoPH). It will be headed by a representative of the MoPH and have, as members, representatives from the relevant authorities. (Gulf-Times.com)
- Shura Council panel approves draft law on minimum wage** – The Legal and Legislative Affairs Committee of the Shura Council has approved the draft law on fixing the minimum wages for workers and domestic workers and submitted its recommendations to the Shura Council. The committee, chaired by its Rapporteur HE Nasser bin Rashid Al Kaabi, completed the study of the draft law. Meanwhile, the Shura Council on Monday approved a draft law on railways and decided to refer its recommendations to the government. At its weekly meeting under the chairmanship of Speaker HE Ahmed bin Abdullah bin Zaid al Mahmoud, the council discussed the Services and Public Utilities Committee's report on the draft law. The draft law includes 36 articles according to which the functions and terms of reference of the Ministry of Transport and Communications and Qatar Rail are defined, regarding the technical and administrative aspects of the country's railways. The draft law also includes issues related to the operation and safety of railways. (Qatar Tribune)
- CI affirms Qatar's ratings; outlook remains 'Stable'** – Capital Intelligence Ratings (CI) has affirmed the long-term foreign currency rating (LT FCR) and long-term local currency rating (LT LCR) of Qatar at 'AA-'. The sovereign's short-term foreign currency rating (ST FCR) and short-term local currency rating (ST LCR) have also been affirmed at 'A1+'. The outlook for the ratings remains 'Stable', the rating agency stated, adding the stable outlook indicates Qatar's sovereign ratings likely to remain unchanged over the next 12 months. The 'Stable' outlook balances substantial fiscal and external buffers against substantial geopolitical risks. The ratings are supported by substantial government assets under the management of the sovereign wealth fund, the Qatar Investment Authority (QIA), very large hydrocarbon reserves, moderate central government debt. Qatar's external and public finances are supported by substantial government assets at the QIA, which have been accumulated during years of high oil and gas prices. The IMF estimates these to have been a very high \$320bn (166% of GDP) in 2018. Qatar's ratings also benefit from very large hydrocarbon reserves and associated export capacity, which in turn provides the government with substantial financial means. Qatar commands over 1.5% of global oil and 12.9% of global gas reserves. Due to large hydrocarbon exports and a rather small

population, GDP per capita stood at an extremely high \$68,308 in 2019. (Gulf-Times.com)

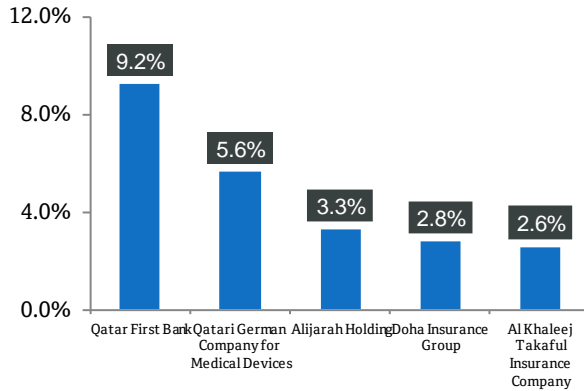
- **KPMG: New regulations bring significant changes to Qatar's income tax law** – New Executive Regulations to the Income Tax Law No 24 of 2018 brought significant changes with respect to the calculation of the taxable income and the tax procedures, a seminar organized by KPMG in Qatar was told recently. Qatar published the Executive Regulations to the Income Tax Law No 24 of 2018 in the official Gazette. The previous executive regulations are now revoked. The new Executive Regulations will replace the old Executive Regulations, containing a number of substantive changes with respect to the scope of tax exemptions and withholding tax application, the determination of the Taxable Income as well as tax audits and procedures, KPMG in Qatar said. Furthermore, the Executive Regulations have introduced, Transfer Pricing reporting obligations in Qatar. With this in mind in the recent informative and very engaging seminar, attended by more than 150 clients, tax experts from KPMG in Qatar advised attendees that it is important for the country's businesses to review the impact of the changes and implement the required changes in their organizations. KPMG's head (Tax and Corporate Services) in Qatar, Barbara Henzen said, "The new Executive Regulations have narrowed down the scope of Tax Exemptions substantially and a lot of companies will newly become taxable or will face higher taxes and more complex filing requirements. Exempt entities will have to carefully review the changes and ensure compliance with the new rules". (Gulf-Times.com)
- **QNCD announces the agenda for its AGM and EGM expected on February 23** – Qatar National Cement Company's (QNCD) board of directors invited its shareholders to attend the company's Annual Ordinary General Assembly Meeting (AGM) and Extra-Ordinary General Assembly Meeting (EGM), which will be held on February 23, 2020. QNCD also announced the agenda for the meetings, including – (i) Approval the board of directors' proposal to distribute to the shareholders cash dividends of 30 % of the share capital, representing Dirham 30 per a complete share, (ii) Electing the four members of the board representing the private sector for upcoming three years i.e. 2020-2022, and (iii) Non-Qatari investors may own a ratio not exceeding (49%) of the company's capital in accordance with Law No. (1) of the year 2019 relating to investment of Non-Qatari capital in the economic activity. (QSE)
- **DHBK postpones its board meeting to February 2 to discuss the financial statements** – Doha Bank (DHBK) postponed its board meeting to February 2, 2020 instead of January 26, 2020, in order to discuss and approve the draft audited financial statements for FY2019, in addition to discussing the distribution of net profit. (QSE)
- **QEWS to hold its board meeting on February 12 to discuss the financial statements** – Qatar Electricity & Water Company (QEWS) announced that its board of directors will meet on February 12, 2020 to discuss and approve the financial statements for the period ended December 31, 2019. (QSE)
- **IQCD postpones its board meeting to February 10 to discuss the financial statements** – Industries Qatar (IQCD) has postponed its board meeting to February 10, 2020 instead of February 5, 2020, as this will allow the board to review the company's

business performance and business plan in more details. The company will also hold Investor Relations Earnings call on February 13, 2020, instead of February 10, 2020. (QSE)

- **ORDS, UDCD sign deal to provide smart solutions to residents of The Pearl** – Ooredoo (ORDS) and United Development Company (UDCD) announced the signing of a Memorandum of Understanding (MoU) to provide combined and smart services to The Pearl-Qatar residents. In line with ORDS and UDCD's goal of enhancing people's digital lives, both sides intend to collectively work towards migrating UDCD's Content Broadcast to Ooredoo ONE Broadband and TV service. In addition to the amazing entertainment on offer already with Ooredoo ONE, UDCD's impressive internet-protocol TV will also be made available via Ooredoo ONE, expanding even further the range of channels and options from which residents can choose. The MoU will also pave the way for more cooperation between the two companies in the areas of developing smart solutions and the concept of smart homes to achieve Qatar National Vision 2030, a press statement from Ooredoo stated. (Qatar Tribune)

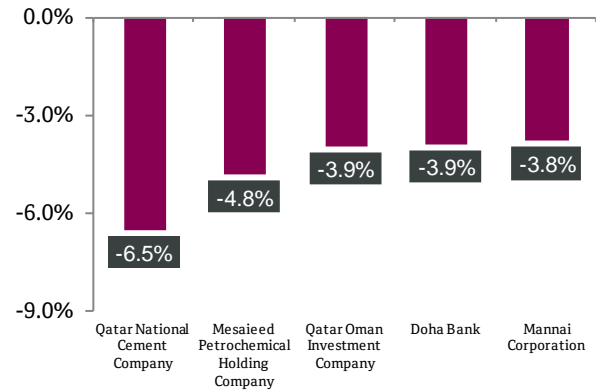
# Qatar Stock Exchange

## Top Gainers



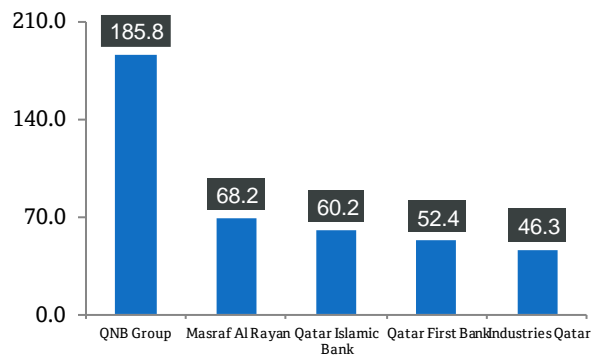
Source: Qatar Stock Exchange (QSE)

## Top Decliners



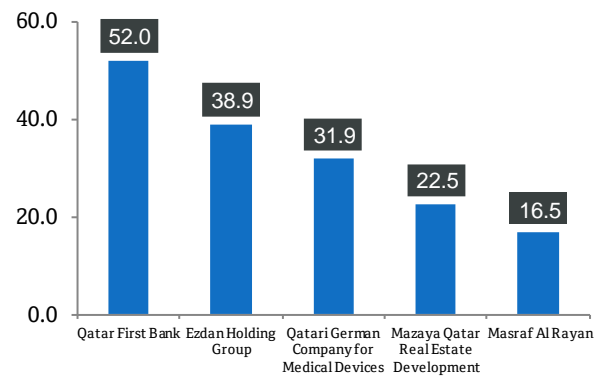
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Value (QR Million)



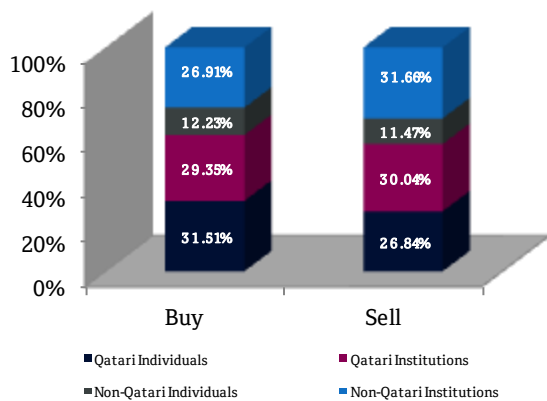
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Volume (Million)



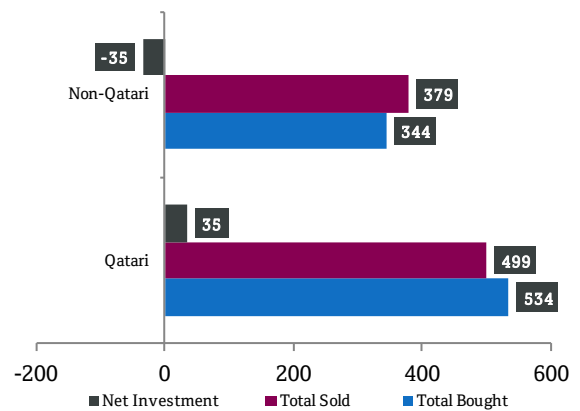
Source: Qatar Stock Exchange (QSE)

## Investor Trading Percentage to Total Value Traded



Source: Qatar Stock Exchange (QSE)

## Net Traded Value by Nationality (QR Million)



Source: Qatar Stock Exchange (QSE)

## TECHNICAL ANALYSIS OF THE QSE INDEX



Source: Bloomberg

The QSE Index closed lower by 1.71% from the week before, and closed at the 10,442.01 level. The Index started to test the breakout support areas around the upper side of the bullish continuation pattern. As a result, we await a breakout above the 10,600 for the Index to move to our next expected target around the 10,800 level. We keep our expected weekly-resistance level at 10,800 and the support at the 10,000 level.

### 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.

**Doji candlestick pattern** – A Doji candlestick is formed when a security's open and close are practically equal. The pattern indicates indecisiveness, and based on preceding price actions and future confirmation, may indicate a bullish or bearish trend reversal.

**Shooting Star/Inverted Hammer candlestick patterns** – These candlestick patterns have a small real body (open price and close price are near to each other), and a long upper shadow (large intraday movement on the upside). The Shooting Star is a bearish reversal pattern that forms after a rally. The Inverted Hammer looks exactly like a Shooting Star, but forms after a downtrend. Inverted Hammers represent a potential bullish trend reversal.



Company Name	Price January 30	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	20.44	(1.64)	(0.73)	188,793	15.0	2.6	2.9
Qatar Islamic Bank	16.70	0.66	8.94	39,461	13.9	2.3	3.0
Commercial Bank of Qatar	4.80	(3.42)	2.13	19,427	11.0	1.1	3.1
Doha Bank	2.74	(3.86)	8.30	8,495	12.0	0.9	3.6
Al Ahli Bank	3.60	(0.55)	2.86	8,330	12.3	1.4	2.5
Qatar International Islamic Bank	9.36	(0.43)	(3.31)	14,168	15.2	2.4	4.3
Masraf Al Rayan	4.12	(0.24)	4.04	30,900	14.2	2.2	4.9
Al Khaliji Bank	1.32	0.76	0.76	4,752	8.0	0.8	5.7
Qatar First Bank	1.08	9.20	32.03	756	N/A	1.1	N/A
National Leasing	0.76	3.27	7.38	375	23.9	0.5	6.6
Dlala Holding	0.58	(1.03)	(5.24)	165	N/A	0.8	N/A
Qatar & Oman Investment	0.57	(3.89)	(15.10)	179	66.9	0.6	5.3
Islamic Holding Group	1.85	(1.60)	(2.63)	105	227.5	0.8	N/A
<b>Banking and Financial Services</b>				<b>315,905</b>			
Zad Holding	14.07	0.29	1.81	3,335	15.6	2.3	6.0
Qatar German Co. for Medical Devices	0.62	5.60	6.87	72	N/A	2.2	N/A
Salam International Investment	0.54	0.38	3.48	612	N/A	0.5	N/A
Baladna	1.01	1.00	1.00	1,920	N/A	N/A	N/A
Medicare Group	8.34	(1.53)	(1.30)	2,347	28.9	2.4	21.6
Qatar Cinema & Film Distribution	2.20	0.00	0.00	138	17.9	1.0	6.8
Qatar Fuel	22.02	(3.00)	(3.84)	21,894	18.1	2.7	3.6
Qatar Meat and Livestock	6.85	0.00	1.33	1,233	11.6	3.7	6.6
Mannai Corp.	3.08	(3.75)	0.00	1,405	5.3	0.6	6.5
Al Meera Consumer Goods	15.76	(0.25)	3.01	3,152	17.1	2.3	5.4
<b>Consumer Goods and Services</b>				<b>36,107</b>			
Qatar Industrial Manufacturing	3.55	(0.28)	(0.56)	1,687	15.0	1.1	7.0
Qatar National Cement	5.20	(6.47)	(7.96)	3,398	21.7	1.1	9.6
Industries Qatar	9.96	(3.30)	(3.11)	60,258	18.6	1.8	6.0
Qatari Investors Group	1.84	(3.16)	2.79	2,288	17.6	0.8	4.1
Qatar Electricity and Water	16.05	(2.25)	(0.25)	17,655	13.3	1.9	4.8
Aamal	0.80	(1.24)	(1.85)	5,027	13.8	0.6	7.5
Gulf International Services	1.56	(3.70)	(9.30)	2,899	N/A	0.8	N/A
Mesaieed Petrochemical Holding	2.19	(4.78)	(12.75)	27,513	32.2	1.9	3.7
Invesment Holding Group	0.57	(1.57)	0.18	469	7.6	0.6	4.4
Qatar Aluminum Manufacturing	0.78	0.91	(0.26)	4,347	N/A	N/A	2.6
<b>Industrials</b>				<b>125,542</b>			
Qatar Insurance	3.17	(0.31)	0.32	10,354	17.7	1.3	4.7
Doha Insurance	1.11	2.78	(7.50)	555	8.5	0.5	7.2
Qatar General Insurance & Reinsurance	2.59	1.57	5.28	2,266	12.6	0.4	3.9
Al Khaleej Takaful Insurance	2.00	2.56	0.00	511	12.8	1.0	2.5
Qatar Islamic Insurance	6.74	(2.18)	0.90	1,011	15.4	2.8	5.2
<b>Insurance</b>				<b>14,697</b>			
United Development	1.52	(3.18)	0.00	5,382	14.4	0.5	6.6
Barwa Real Estate	3.54	(1.67)	0.00	13,775	8.8	0.7	7.1
Ezdan Real Estate	0.62	(1.89)	1.46	16,552	49.9	0.5	N/A
Mazaya Qatar Real Estate Development	0.77	0.52	7.23	893	90.0	0.7	6.5
<b>Real Estate</b>				<b>36,601</b>			
Ooredoo	6.93	(0.72)	(2.12)	22,198	12.8	1.0	3.6
Vodafone Qatar	1.23	(1.60)	6.03	5,199	34.8	1.2	4.1
<b>Telecoms</b>				<b>27,397</b>			
Qatar Navigation (Milaha)	6.05	(0.66)	(0.82)	6,929	12.9	0.5	5.0
Gulf Warehousing	5.30	0.00	(3.28)	311	12.5	1.7	3.6
Qatar Gas Transport (Nakilat)	2.38	(2.06)	(0.42)	13,186	13.7	2.1	4.2
<b>Transportation</b>				<b>20,425</b>			
<b>Qatar Exchange</b>				<b>579,469</b>			

Source: Bloomberg

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