

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index increased by 314.25 points or 3.17% during the trading week to close at 10,232.85. Market capitalization rose by 2.8% to QR564.2 billion (bn) versus QR548.6bn the previous trading week. Of the 46 listed companies, 24 companies ended the week higher, while 20 declined and 2 remained unchanged. Mesaieed Petrochemical Holding Co. (MPHC) was the best performing stock for the week with a gain of 9.2% on a trading volume of 33.8 million (mn) shares. On the other hand, Qatar First Bank (QFBQ) was the worst performing stock for the week with a decline of 5.2% on 73.6mn shares traded.

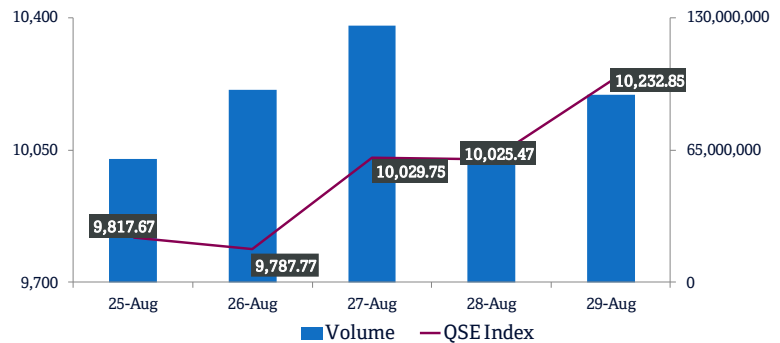
Industries Qatar (IQCD), Commercial Bank of Qatar (CBQK) and Mesaieed Petrochemical Holding Co. (MPHC) were the primary contributors to the weekly index gain. IQCD was the biggest contributor to the index's weekly increase, adding 49.7 points to the index. CBQK was the second biggest contributor to the mentioned gain, contributing 40.1 points to the index. Moreover, MPHC tacked on 39.6 points to the index. On the other hand, Qatar Navigation (QNNS) deleted 7.5 points from the index.

Trading value increased by 85.1% during the week to QR1.6bn versus QR851.7mn in the prior week. The Banks & Financial Services sector led the trading value during the week, accounting for 49.6% of the total trading value. The Industrials sector was the second biggest contributor to the overall trading value, accounting for 17.5% of the total. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR387mn.

Trading volume increased by 35.5% to reach 439.5mn shares versus 324.3mn shares in the prior week. The number of transactions rose 12.4% to 35,083 transactions versus 31,220 transactions in the prior week. The Banks and Financial Services sector led the trading volume, accounting for 39.6%, followed by the Real Estate sector, which accounted for 22.0% of the overall trading volume. QFBQ was the top volume traded stock during the week with 73.6mn shares traded.

Foreign institutions turned positive with net buying of QR25.1mn vs. net selling of QR33.2mn in the prior week. Qatari institutions remained bullish with net buying of QR149.3mn vs. net buying of QR65.4mn in the week before. Foreign retail investors remained bearish with net selling of QR81.7mn vs. net selling of QR6.6mn in the prior week. Qatari retail investors remained negative with net selling of QR92.7mn vs net selling of QR25.5mn the week before. Foreign institutions have bought (net basis) ~\$1.2bn worth of Qatari equities in 2019.

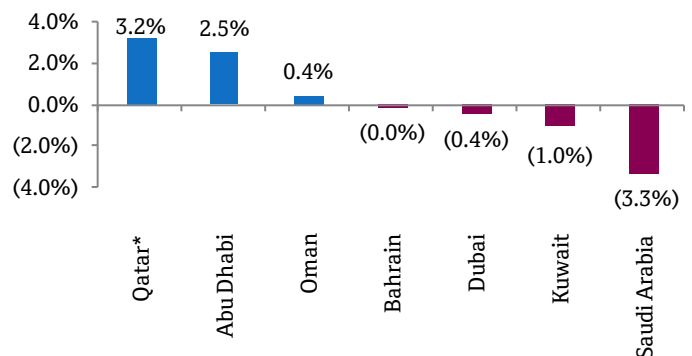
QSE Index and Volume



Market Indicators	Week ended August 29, 2019	Week ended August 22, 2019	Chg. %
Value Traded (QR mn)	1,576.1	851.7	85.1
Exch. Market Cap. (QR mn)	564,167.6	548,593.9	2.8
Volume (mn)	439.5	324.3	35.5
Number of Transactions	35,083	31,220	12.4
Companies Traded	45	46	(2.2)
Market Breadth	24:20	29:14	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	18,829.31	3.2	(2.6)	3.8
ALL Share Index	3,004.42	2.5	(3.1)	(2.4)
Banks and Financial Services	3,995.04	3.0	(2.5)	4.3
Industrials	3,071.36	3.5	(2.3)	(4.5)
Transportation	2,526.86	0.8	(3.0)	22.7
Real Estate	1,402.74	(1.3)	(6.8)	(35.9)
Insurance	2,795.45	4.8	(8.9)	(7.1)
Telecoms	900.94	1.2	(5.8)	(8.8)
Consumer Goods & Services	8,219.83	2.6	0.9	21.7
Al Rayan Islamic Index	3,919.79	2.3	(2.7)	0.9

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*	10,232.85	3.2	(2.6)	(0.6)	399.31	154,920.4	14.8	1.5	4.3
Dubai	2,758.60	(0.4)	(5.5)	9.0	228.28	98,584.3	11.6	1.0	4.5
Abu Dhabi	5,165.57	2.5	(2.9)	5.1	336.14	141,282.9	15.3	1.5	4.8
Saudi Arabia [#]	8,171.17	(3.3)	(6.4)	4.4	12,243.25	515,685.2	20.1	1.8	3.7
Kuwait	5,941.13	(1.0)	(2.9)	17.0	434.08	111,294.7	14.7	1.4	3.5
Oman	4,004.86	0.4	6.5	(7.4)	377.51	17,436.3	8.2	0.8	6.8
Bahrain	1,533.09	(0.0)	(0.9)	14.6	13.19	23,981.5	11.4	1.0	5.1

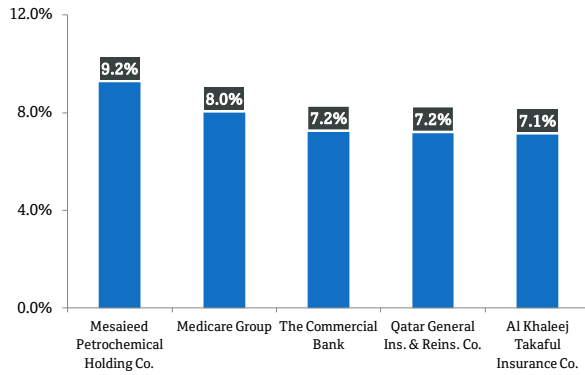
Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; [#]Data as of August 28, 2019)

Economic News & Market News

- NBK: Qatar's non-oil activity buoyed by government investment** – Qatar's non-oil activity has been buoyed by government investment and the country's growth is expected to accelerate to 2.6% this year from 1.6% in 2018, banking major NBK has stated in a macroeconomic outlook. The country's growth is driven by a recovery in the hydrocarbon sector output (0.4%) and ongoing gains in non-hydrocarbon activity (4.4%) as the government's expansive public investments bear fruit, it stated. Over the medium term, as infrastructure projects related to the FIFA World Cup 2022 and work on the broader Qatar National Vision 2030 advances, non-oil growth is expected to moderate to around 4% by 2021. By this time, the private sector should have assumed a greater role in driving diversification through greater-value add – in sectors such as manufacturing, services, transportation and real estate – as per 2018's Qatar National Development Strategy 2018-2022 (NDS-2), NBK stated in its July outlook. NDS-2 also prioritizes raising the average productivity of its local and foreign workers, which partly explains last year's decision to offer long-term, skilled expats permanent residency and permit 100% foreign ownership across all business sectors. The hydrocarbon sector, meanwhile, should get a welcome boost in 2020 from the commissioning of the delayed \$10bn Barzan gas production facility, NBK noted. (Gulf-Times.com)
- Moody's: Total Sukuk issuance in Qatar rises to \$2.9bn in 1H2019** – Total sukuk issuance in Qatar rose to \$2.9bn in the first half of this year from \$2bn in 1H2018, Moody's Investor Service (Moody's) has stated in a report. "The increase reflected rising international Sukuk issuance from Qatari financial institutions. During this period, local currency Sukuk issued by the central bank remained stable," Moody's stated. Issuance declined marginally in the other GCC countries to a combined \$10.8bn in the first half of this year from \$11.3bn in 1H2018. Total Sukuk volumes grew to \$87.4bn in the first half of 2019, up 37% from \$64bn in the same period of 2018. The increase was driven by the GCC region, where issuance rose 9% to \$26.5bn followed by Southeast Asia, where it grew 41% to \$53bn and Turkey where it grew 300% to \$7.9bn, Moody's noted. (Gulf-Times.com)
- Hamad Port carves a niche for itself among world's top container ports** – Within a short span of time after starting its operations, Hamad Port has been ranked among world's top 120 container ports. QTerminals stated, "Hamad Port has entered the top 120 container ports ranking for 2018. Hamad Port is now ranked number 114 globally. The top 120 ports list is released annually by Container Management magazine." Sharing some more information in the thread, QTerminals stated, "Hamad port registered an overall container growth of 71% in 2018 over 2017. Having commenced commercial operations in December 2016 as a brand new port, Hamad Port achieved this milestone in just 25 months from the start of operations." According to an earlier report of July this year, ports in Qatar have also registered impressive growth in cargo handling in the first half of 2019. The ports handled 218,330 tons of building materials in January-June period of this year, compared to 177,000 tons in the same period last year, showing a growth of around 24%. The ports received around 661,331 containers in the first half of 2019, which is around 2.5% more than the same period in the same period of last year, according to Mwan Qatar. (Peninsula Qatar)
- Foreign net inflows into Qatar equity market stood at \$2.2bn in 2018** – GCC countries are in the process of opening their economies to make them more attractive to foreign investors. Foreign equity inflows into GCC capital markets is expected to rise sharply in the coming years, aided by the recent inclusions of two markets in the region in emerging market indices by global index providers such as MSCI, FTSE and S&P. Markaz Research noted Qatar's markets were the best performer in 2018 in terms of price returns as well as net foreign portfolio inflows in 2018. Its inflows amounted to \$2.2bn in 2018, up from a net outflow of \$445mn in 2017. Qatar's ability to successfully manage the diplomatic isolation of GCC neighbors helped in changing the outlook of global investors on Qatar in 2018. Markaz analysts said the influx of foreign capital into GCC equity markets would contribute to broader development of GCC markets and may allow domestic companies to raise capital at favorable rates from an enlarged base of investors. This in turn, will lead to higher growth of the private sector in these countries, a major objective of the governments in the region as part of their focus on growth of the non-oil economy. (Gulf-Times.com)
- WOQOD, Shell Lubricants ink deal for premium lubricants supply in Qatar** – Qatar Fuel Company (WOQOD) and Shell Lubricants have signed an agreement in relation to the supply of finished premium lubricants. Under the agreement, Shell will provide WOQOD engine lubricants over a five-year period. This new agreement will power WOQOD lubricants with Shell technology and have the advantage of being blended from the purest Qatari GTL (Gas to Liquid) base oil. The agreement will ensure the supply of high-quality lubricants, combining premium Qatari GTL components and Shell technology, across all WOQOD retail sites from September this year. The supplied premium engine oils will be co-branded as 'Woqod OTO' and will be available in a variety of packs and applications. (Gulf-Times.com)

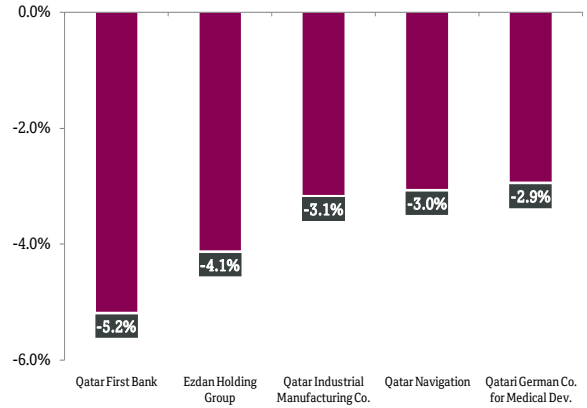
Qatar Stock Exchange

Top Gainers



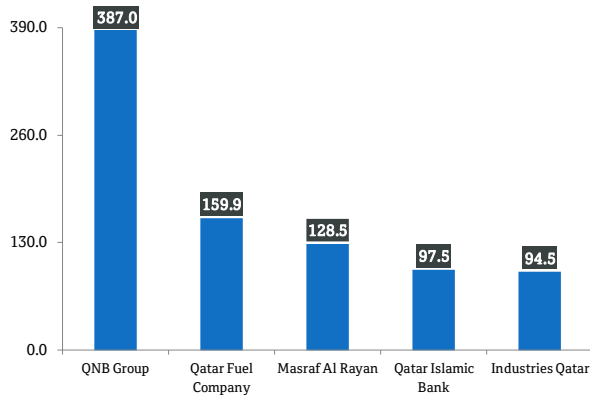
Source: Qatar Stock Exchange (QSE)

Top Decliners



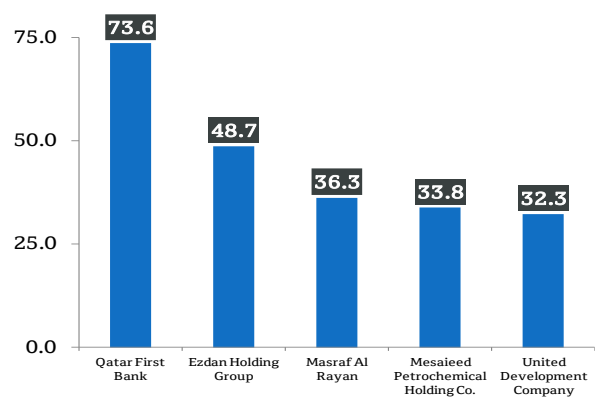
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



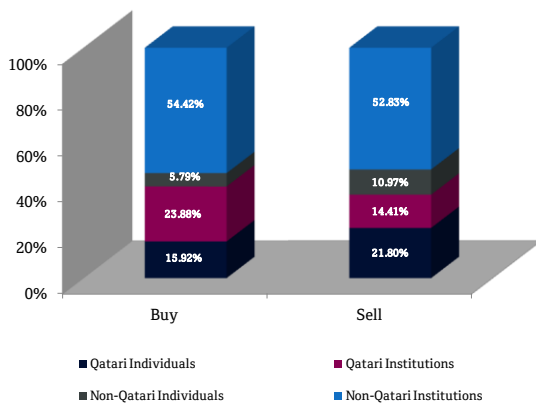
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



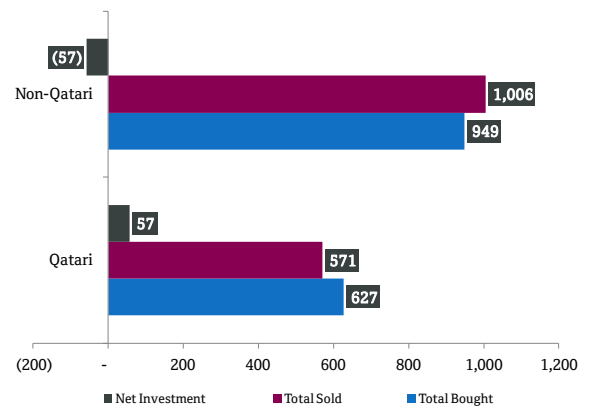
Source: Qatar Stock Exchange (QSE)

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 QE Index closed up by 3.17 from the week before, and closed at 10,232.85 points. The Index kept moving inside the corrective channel and bounced off the strong support just at the 9,700 level. We keep our expected weekly-resistance level at 10,800 points and the 9,700 level as our weekly support.

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 August 29	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	19.15	2.52	(1.79)	176,878	13.7	2.6	3.1
Qatar Islamic Bank	15.80	2.80	3.95	37,334	14.1	2.4	3.2
Commercial Bank of Qatar	4.76	7.21	20.84	19,265	13.0	1.2	3.2
Doha Bank	2.60	2.36	17.12	8,061	12.2	0.9	3.8
Al Ahli Bank	3.10	1.64	21.79	7,173	10.6	1.3	2.9
Qatar International Islamic Bank	7.74	0.52	17.06	11,716	13.8	2.1	5.2
Masraf Al Rayan	3.63	3.71	(12.91)	27,225	12.7	2.1	5.5
Al Khaliji Bank	1.18	1.72	2.25	4,248	7.4	0.7	6.4
Qatar First Bank	0.29	(5.16)	(27.94)	588	N/A	0.8	N/A
National Leasing	0.67	0.75	(23.78)	332	45.6	0.5	7.5
Diala Holding	0.69	1.77	(31.00)	196	N/A	0.9	N/A
Qatar & Oman Investment	0.49	(1.20)	(7.49)	156	49.2	0.5	6.1
Islamic Holding Group	2.05	0.00	(6.18)	116	319.9	0.8	N/A
Banking and Financial Services				293,288			
Zad Holding	13.52	2.35	30.00	1,945	15.0	2.2	6.3
Qatar German Co. for Medical Devices	0.63	(2.92)	11.48	73	N/A	2.1	N/A
Salam International Investment	0.39	(2.76)	(10.39)	444	N/A	0.4	N/A
Medicare Group	7.97	7.99	26.31	2,243	28.5	2.3	22.6
Qatar Cinema & Film Distribution	2.15	0.00	13.04	135	17.2	1.0	7.0
Qatar Fuel	21.60	2.81	30.13	21,476	17.9	2.7	3.7
Qatar Meat and Livestock	6.12	(0.49)	(12.57)	1,102	9.9	3.4	7.4
Mannai Corp.	3.43	(1.44)	(37.58)	1,565	4.8	0.6	5.8
Al Meera Consumer Goods	14.90	1.98	0.68	2,980	16.2	2.2	5.7
Consumer Goods and Services				31,962			
Qatar Industrial Manufacturing	3.08	(3.14)	(27.87)	1,464	10.1	0.9	8.1
Qatar National Cement	5.70	(1.04)	(4.20)	3,725	14.1	1.2	8.8
Industries Qatar	10.88	4.21	(18.57)	65,824	16.5	2.0	5.5
Qatari Investors Group	1.96	(2.00)	(29.52)	2,437	17.6	0.9	3.8
Qatar Electricity and Water	15.10	2.37	(18.38)	16,610	12.4	1.8	5.1
Aamal	0.75	(1.05)	(14.82)	4,744	12.0	0.1	8.0
Gulf International Services	1.56	(1.89)	(8.24)	2,899	N/A	0.8	N/A
Mesaieed Petrochemical Holding	2.84	9.23	88.96	35,679	34.7	2.5	2.8
Investment Holding Group	0.50	(2.14)	2.86	417	7.3	0.5	5.0
Qatar Aluminum Manufacturing	0.77	(1.28)	(42.32)	4,297	N/A	N/A	2.6
Industrials				138,096			
Qatar Insurance	3.13	5.03	(12.81)	10,223	17.6	1.3	4.8
Doha Insurance	1.05	(1.87)	(19.79)	525	8.7	0.5	7.6
Qatar General Insurance & Reinsurance	3.59	7.16	(20.01)	3,141	14.8	0.5	2.8
Al Khaleej Takaful Insurance	1.81	7.10	110.71	462	14.9	0.9	2.8
Qatar Islamic Insurance	6.00	5.26	11.71	900	12.8	2.5	5.8
Insurance				15,251			
United Development	1.37	(2.14)	(7.12)	4,851	10.4	0.5	7.3
Barwa Real Estate	3.40	2.72	(14.81)	13,230	8.7	0.7	7.4
Ezdan Real Estate	0.61	(4.11)	(53.24)	16,101	54.3	0.5	N/A
Mazaya Qatar Real Estate Development	0.74	(1.34)	(5.77)	851	N/A	0.7	6.8
Real Estate				35,033			
Ooredoo	7.00	2.64	(6.67)	22,422	13.1	1.0	3.6
Vodafone Qatar	1.23	(1.60)	(21.25)	5,199	35.6	1.2	4.1
Telecoms				27,622			
Qatar Navigation (Milaha)	6.05	(3.04)	(8.35)	6,929	12.8	0.5	5.0
Gulf Warehousing	4.78	(1.85)	24.25	280	15.0	1.7	4.0
Qatar Gas Transport (Nakilat)	2.38	3.48	32.74	13,186	14.3	2.1	4.2
Transportation				20,395			
Qatar Exchange				564,168			

Source: Bloomberg

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