

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index lost 109.33 points or 1.05% during the week, to close at 10,310.69. Market capitalization declined by 0.86% to QR571.7 billion (bn) versus QR576.6bn the previous trading week. Of the 46 listed companies, 21 companies ended the week higher, while 21 declined and 4 remained unchanged. Qatar German Co. Medical Devices (QGM) was the best performing stock for the week with a gain of 11.3% on a trading volume of 31.5 million (mn) shares. On the other hand, Qatari Investors Group (QIGD) was the worst performing stock for the week with a decline of 7.0% on 7.4mn shares traded.

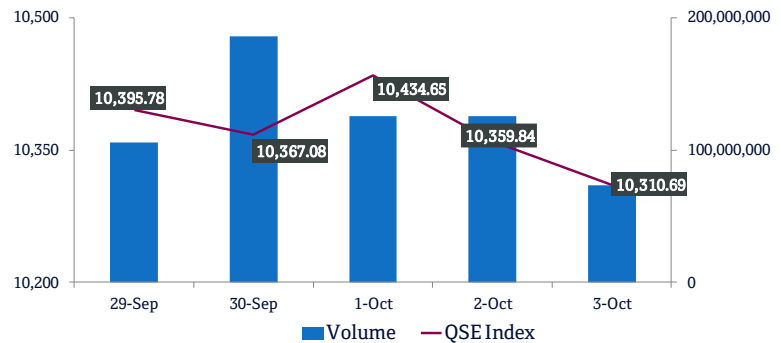
Qatar International Islamic Bank (QIIB), Mesaieed Petrochemical Holding Company (MPHC) and Industries Qatar (IQCD) were the primary contributors to the weekly index decline. QIIB was the biggest contributor to the index's weekly decrease, deleting 37.7 points from the index. MPHC was the second biggest contributor to the mentioned loss, shaving off 29.5 points from the index. Moreover, IQCD removed 23.3 points from the index. On the other hand, Qatar International Islamic Bank (QIIB) added 13.0 points to the index.

Trading value increased by 17.1% during the week to QR1.2bn versus QR1.0bn in the prior week. The Banks & Financial Services sector led the trading value during the week, accounting for 34.9% of the total trading value. The Industrials sector was the second biggest contributor to the overall trading value, accounting for 28.6% of the total. QNBK was the top value traded stock during the week with total traded value of QR171.6mn.

Trading volume increased by 50.1% to reach 616.6mn shares versus 410.7mn shares in the prior week. The number of transactions increased 16.8% to 34,496 transactions versus 29,544 transactions in the prior week. The Industrials sector led the trading volume, accounting for 48.6%, followed by the Real Estate sector, which accounted for 20.2% of the overall trading volume. Aamal Holding (AHCS) was the top volume traded stock during the week with 183.8mn shares traded.

Foreign institutions remained negative with net selling of QR29.8mn vs. net selling of QR25.5mn in the prior week. Qatari institutions remained bullish with net buying of QR64.3mn vs. net buying of QR63.9mn in the week before. Foreign retail investors remained bullish with net buying of QR6.7mn vs. net buying of QR3.2mn in the prior week. Qatari retail investors remained negative with net selling of QR41.1mn vs net selling of QR41.5mn the week before. Foreign institutions have bought (net basis) ~\$1.3bn worth of Qatari equities in 2019.

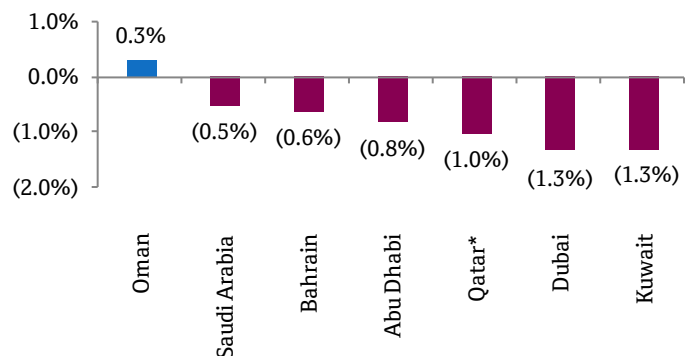
QSE Index and Volume



Market Indicators	Week ended Oct 03, 2019	Week ended Sep 26, 2019	Chg. %
Value Traded (QR mn)	1,210.4	1,033.3	17.1
Exch. Market Cap. (QR mn)	571,666.0	576,617.3	(0.9)
Volume (mn)	616.6	410.7	50.1
Number of Transactions	34,496	29,544	16.8
Companies Traded	46	46	0.0
Market Breadth	21:21	23:18	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	18,972.54	(1.0)	(0.5)	4.6
ALL Share Index	3,042.00	(0.7)	(0.4)	(1.2)
Banks and Financial Services	3,993.00	(0.3)	0.1	4.2
Industrials	3,077.10	(2.8)	(1.6)	(4.3)
Transportation	2,617.98	0.7	(0.3)	27.1
Real Estate	1,481.05	2.4	1.4	(32.3)
Insurance	2,947.07	(0.8)	(0.9)	(2.0)
Telecoms	912.26	(2.6)	(1.5)	(7.6)
Consumer Goods & Services	8,593.44	(0.7)	(0.9)	27.3
Al Rayan Islamic Index	3,954.05	(1.4)	(0.9)	1.8

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*	10,310.69	(1.0)	(0.5)	0.1	330.67	156,979.5	14.8	1.6	4.1
Dubai	2,761.02	(1.3)	(0.7)	9.1	144.65	99,196.2	11.6	1.0	4.5
Abu Dhabi	5,027.96	(0.8)	(0.6)	2.3	168.13	140,004.7	15.1	1.4	4.9
Saudi Arabia*	7,984.43	(0.5)	(1.3)	2.0	3,797.78	501,863.0	19.7	1.8	3.8
Kuwait	5,635.65	(1.3)	(0.8)	10.9	248.27	105,239.9	14.0	1.3	3.8
Oman	4,026.02	0.3	0.2	(6.9)	79.75	17,498.5	8.2	0.8	6.8
Bahrain	1,512.55	(0.6)	(0.3)	13.1	11.25	23,635.6	11.3	1.0	5.2

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; * Data as of October 02, 2019)

Economic, Market & Corporate News

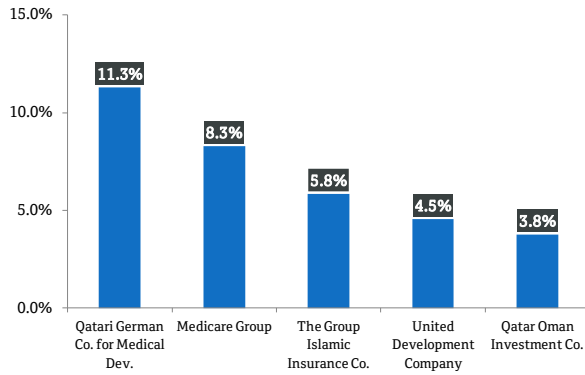
- Qatar's PPI falls 16.5% YoY in August this year** – Weakened earnings in the hydrocarbons and some manufactured products led Qatar's PPI (Producers' Price Index) to drag 16.5% YoY in August 2019, according to the official statistics. Qatar's PPI – a measure of the average selling prices received by the domestic producers for their output – saw a 1.5% MoM dip, stated the figures released by the Planning and Statistics Authority (PSA). The PSA had released a new PPI series in late 2015. With a base of 2013, it draws on an updated sampling frame and new weights. The previous sampling frame dates from 2006, when the Qatari economy was much smaller than today and the range of products made domestically much narrower. The mining PPI, which carries the maximum weight of 72.7%, fell 1.4% on a monthly basis as crude petroleum and natural gas prices fell in a similar proportion, while that of stone, sand and clay was unchanged in the review period. The PPI for mining saw a 17.7% plunge YoY in August 2019 on the back of a 17.7% decrease in the price of crude petroleum and natural gas; even as there was a marginal 0.2% rise in that of stone, sand and clay. The manufacturing sector, which has a weight of 26.8% in the PPI basket, witnessed a 14% yearly plunge this August on a 16.4% contraction in the price of refined petroleum products, 11.3% in basic chemicals, 9.9% in basic metals and 4.5% in cement and other non-metallic mineral products. (Gulf-Times.com)
- FocusEconomics: Higher public spending, gas output to drive Qatar's economic growth in 2H2019** – Qatar's economy is projected to gain momentum in 2H2019 driven mainly by greater public spending and higher gas production, FocusEconomics has stated in its latest report. Focusing on 2020, the report stated, the country's growth will likely pick up on a stronger energy sector as the Barzan gas facility comes online. According to FocusEconomics Consensus Forecast-Middle East & North Africa for October report, Qatar's economy likely to have softened in the second quarter, after a recovery in the energy sector drove a slight acceleration in the first quarter. Turning to the third quarter, the report stated, available data points to acceleration. "In July, annual industrial production grew at the fastest pace since August 2018, annual private sector credit growth surged, while building permits also jumped MoM," it stated. Moreover, the report stated, the non-oil sector PMI recovered firmly in August that bodes well for Qatar's economic growth ahead. FocusEconomics panelists see growth of 1.9% in 2019 and 2.5% in 2020, which is unchanged from last month's forecast. The country's economic growth will further accelerate to 2.7% in 2021 and 2.8% in 2022, the report stated. Consumer prices were flat in annual terms in August, the report stated, adding inflation should return next year as the expected implementation of a 5% VAT in January 2020 will add upward pressure. Moreover, an expected pick-up in economic activity and recent signs of a recovery in housing prices should also stoke prices next year. "Our panelists expect average consumer prices to fall 0.3% in 2019, before increasing 2% in 2020, which is down 0.2 percentage points from last month's forecast," the report stated. The report indicated that the GDP per capita in Qatar will increase from \$70,550 in 2019 to \$80,098 in 2022. According to the annual data released as part of the report, the overnight lending rate in the country would continue to rise from the current level and reach up to 4.81% by 2023. The Qatari Riyal will continue to be pegged at \$3.64 in the years to come, the report stated. (Qatar Tribune)
- Qatar Petroleum announces fuel prices for October** – Qatar Petroleum announced the diesel and gasoline prices for October, which will stabilize for gasoline (91) and diesel, while the super gasoline (95) will see a slight increase. Qatar Petroleum has set the price of diesel liter to QR1.85 in October, the same price set for September. The price of super gasoline (95) was set at QR1.85 per liter during October; this was up from QR1.8 in September, an increase of 2.8%. The price of premium gasoline (91) stabilized for the second month in a row, as Qatar Petroleum set its price at QR1.7 per liter in October. (Gulf-Times.com)
- Qatar Central Bank's August foreign reserves rise to QR197bn** – Qatar Central Bank has published Qatar's foreign reserves and data on monetary aggregates for August on the website. International reserves and foreign currency liquidity rose to QR197bn from QR196.2bn in July 2019. August M1 money supply declined 1.7% from year ago and 1.2% MoM. Further August M2 money supply falls 5.1% YoY and 0.5% MoM. (Bloomberg)
- Qatar's economy performing better after blockade** – Qatar has performed better on most of the key economic indicators since blockade, CEOs of prime Qatari entities have said. Speaking at a knowledge sharing session titled 'Qatar – Land of Opportunities' organized by Doha Bank, Qatar Financial Centre's (QFC) CEO, Yousuf Mohamed Al Jaida said that Qatar has performed better in five out of the seven key economic indicators in the post-blockade period of almost two and half years. Comparing pre-blockade period (2014-2016) with post-blockade period (2017-2019), he said, Qatar's nominal GDP, non-hydrocarbon growth, hydrocarbon growth, real GDP growth forecast and average annual inflation have fared better in the post-blockade period. Real GDP growth and Qatar Real Estate Price Index are the only two economic indicators where the country witnessed marginal decline, he said. Despite the ongoing blockade imposed on the country, Jaida said, Qatar's real GDP is forecast to grow at a compound annual growth rate of 2.8% in the next five years, the second fastest in the GCC region. Highlighting the factors impacting Real GDP growth in Qatar, he said, "Qatar's planned expansion of LNG production and infrastructure projects related to 2020 FIFA World Cup will drive growth in Qatar in the next five years." (Qatar Tribune)
- Qatar's investment in healthcare sector at QR22.7bn** – Qatar Chamber's board member, Ebtihaj Al Ahmadani has said that Qatar's healthcare spending is among the highest in the Middle East. The country invested QR22.7bn in healthcare sector in 2018, up 4% compared to the previous year, she said. Qatar has been ranked fifth best in the world and the first in the Middle East, according to Legatum Institute, a London-based think-tank which measures improved life expectancy, better health

outcomes, and investment in health infrastructure, Al Ahmadani said while attending the recently concluded “12th Arab-German Health Forum” in Berlin, Germany. “Within the past two year, Qatar has allocated huge investments in the health sector by providing more 1,100 beds and opening four new health centers,” she added. Addressing the forum, Al Ahmadani said that Qatar’s health system has seen great strides over the past years regarding the number of medical facilities and students as well as the spending on health sector by the government. (Peninsula Qatar)

- **QE Index, QE Al Rayan Islamic Index and QE All Share Index update constituents from October 1** – Ezdan Holding Group and Qatar Aluminium Manufacturing Company replaced Medicare Group and Qatar First Bank in the QE Index. Ezdan Holding Group, Qatar Aluminium Manufacturing Company as well as Qatar Islamic Insurance Company joined QE Al Rayan Islamic Index. Qatar Aluminium Manufacturing Company joined both QE All Share Index and QE Industrials Index. Qatar General Insurance & Reinsurance Company joined both QE All Share Index and QE insurance Index, all effective from October 1, 2019. (QSE)
- **WOQOD adds yet another fuel station to its widening network, inches closer to 2020 goal** – Qatar Fuel Company (WOQOD) opened a fuel station in Al Dafna, raising its network of stations to 89. With the new facility, WOQOD has moved a step closer to its objective of opening 114 fuel stations by 2020. The Al Dafna fuel station is spread over 4,200 square meters and has three lanes with nine dispensers. The new station offers round-the-clock services to residents and includes a Sidra convenience store, an LPG cylinder outlet and a shop that sells gasoline and diesel products for light vehicles. WOQOD is currently constructing 22 new petrol stations, a large number of which are expected to become operational in 2019. (Qatar Tribune)
- **Qatar First Bank’s CEO resigns** – Qatar First Bank’s board of directors announced that the resignation of Ali Mohammed Al Obaidli from the position of CEO. (QSE)
- **Qatar Central Securities Depository modifies the foreigners’ ownership limit of NLCS** – Qatar Central Securities Depository has modified the foreigners’ ownership limit of Aljarah Holding (NLCS) to be 49% of the capital, which is equal to 242,452,980 shares. (QSE)

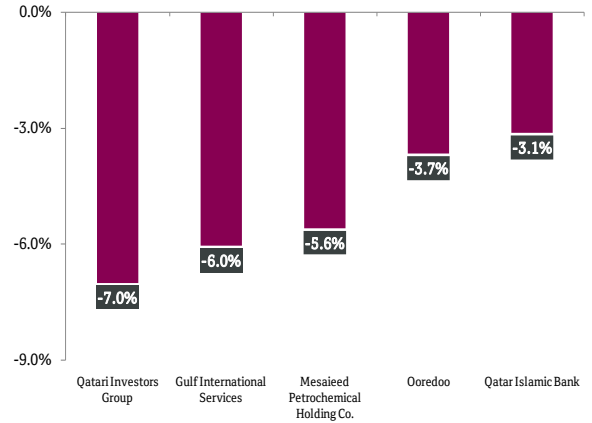
Qatar Stock Exchange

Top Gainers



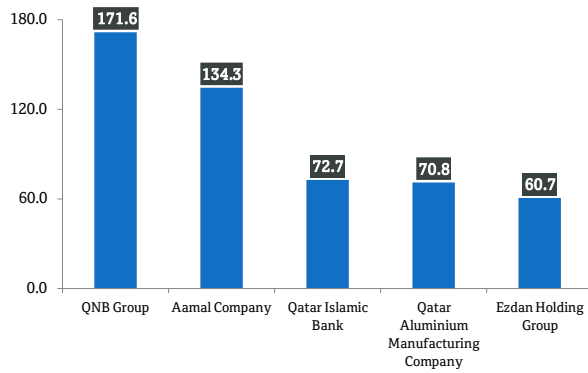
Source: Qatar Stock Exchange (QSE)

Top Decliners



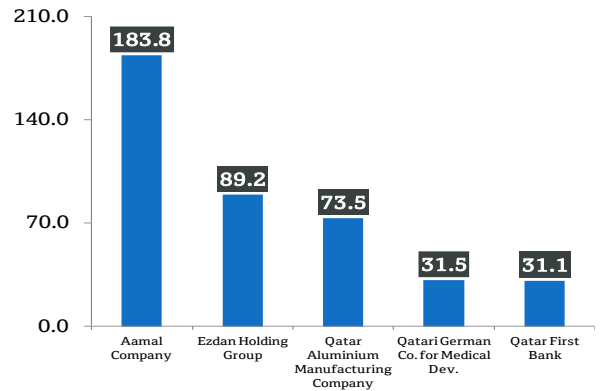
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



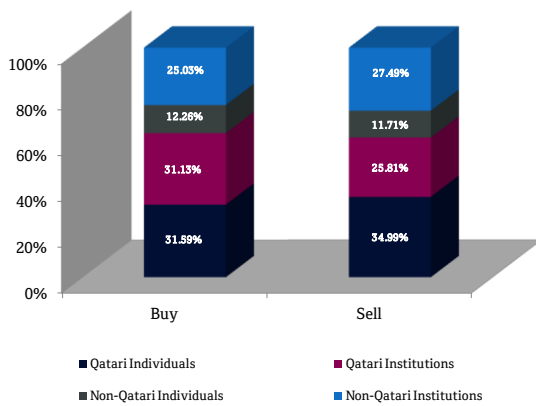
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



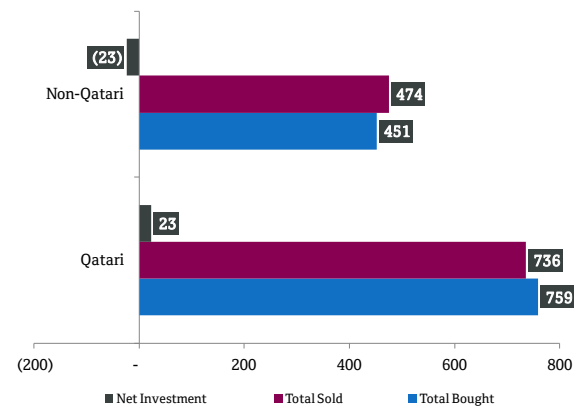
Source: Qatar Stock Exchange (QSE)

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 down 1.05% from the previous week, at 10,310.69 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 October 03	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	19.30	0.47	(1.03)	178,263	13.9	2.6	3.1
Qatar Islamic Bank	15.50	(3.13)	1.97	36,625	13.9	2.3	3.2
Commercial Bank of Qatar	4.40	(2.22)	11.70	17,808	12.0	1.1	3.4
Doha Bank	2.60	1.56	17.12	8,061	12.2	0.9	3.8
Al Ahli Bank	3.40	(2.86)	33.57	7,867	11.7	1.4	2.7
Qatar International Islamic Bank	8.96	3.11	35.51	13,563	15.9	2.4	4.5
Masraf Al Rayan	3.54	(0.28)	(15.07)	26,550	12.4	2.1	5.6
Al Khaliji Bank	1.18	(1.67)	2.25	4,248	7.4	0.7	6.4
Qatar First Bank	0.31	(2.24)	(25.00)	612	N/A	0.9	N/A
National Leasing	0.70	0.87	(20.82)	344	47.4	0.5	7.2
Diala Holding	0.69	1.32	(31.10)	196	N/A	0.9	N/A
Qatar & Oman Investment	0.52	3.76	(1.87)	165	52.2	0.6	5.7
Islamic Holding Group	1.98	(2.94)	(9.38)	112	309.0	0.8	N/A
Banking and Financial Services				294,415			
Zad Holding	13.50	(2.17)	29.81	1,943	15.0	2.2	6.3
Qatar German Co. for Medical Devices	0.76	11.27	34.28	88	N/A	2.5	N/A
Salam International Investment	0.41	1.49	(5.31)	469	N/A	0.4	N/A
Medicare Group	7.98	8.28	26.47	2,246	28.6	2.3	22.6
Qatar Cinema & Film Distribution	2.20	0.00	15.67	138	17.6	1.0	6.8
Qatar Fuel	23.09	(1.91)	39.10	22,957	19.1	2.9	3.5
Qatar Meat and Livestock	6.23	2.47	(11.00)	1,121	10.1	3.5	7.2
Mannai Corp.	3.30	0.30	(39.95)	1,505	4.6	0.6	6.1
Al Meera Consumer Goods	15.32	0.46	3.51	3,064	16.7	2.3	5.5
Consumer Goods and Services				33,531			
Qatar Industrial Manufacturing	3.61	(2.17)	(15.46)	1,715	11.9	1.1	6.9
Qatar National Cement	6.00	(1.32)	0.84	3,921	14.9	1.3	8.3
Industries Qatar	10.80	(1.82)	(19.17)	65,340	16.4	2.0	5.6
Qatari Investors Group	1.86	(7.00)	(33.12)	2,312	16.7	0.8	4.0
Qatar Electricity and Water	15.50	0.98	(16.22)	17,050	12.7	1.8	5.0
Aamal	0.72	0.00	(18.67)	4,530	11.4	0.6	8.3
Gulf International Services	1.71	(6.04)	0.59	3,178	N/A	0.9	N/A
Mesaieed Petrochemical Holding	2.87	(5.59)	90.95	36,056	35.1	2.5	2.8
Investment Holding Group	0.53	1.94	7.57	437	6.9	0.6	4.8
Qatar Aluminum Manufacturing	0.92	2.00	(31.09)	5,134	N/A	N/A	2.2
Industrials				139,673			
Qatar Insurance	3.30	(1.79)	(8.08)	10,778	18.6	1.3	4.5
Doha Insurance	1.03	(0.96)	(21.31)	515	8.5	0.5	7.8
Qatar General Insurance & Reinsurance	3.50	(1.69)	(22.01)	3,063	14.4	0.5	2.9
Al Khaleej Takaful Insurance	1.96	3.70	128.17	500	16.1	0.9	2.6
Qatar Islamic Insurance	6.35	5.83	18.23	953	13.6	2.7	5.5
Insurance				15,809			
United Development	1.38	4.55	(6.44)	4,886	10.5	0.5	7.2
Barwa Real Estate	3.36	0.30	(15.81)	13,075	8.6	0.7	7.4
Ezdan Real Estate	0.67	0.60	(48.69)	17,666	59.6	0.6	N/A
Mazaya Qatar Real Estate Development	0.74	(0.54)	(5.13)	857	N/A	0.7	6.8
Real Estate				36,483			
Ooredoo	7.11	(3.66)	(5.20)	22,775	13.3	1.0	3.5
Vodafone Qatar	1.24	0.00	(20.61)	5,241	35.9	1.2	4.0
Telecoms				28,016			
Qatar Navigation (Milaha)	6.64	2.15	0.59	7,604	14.1	0.5	4.5
Gulf Warehousing	5.03	(0.40)	30.75	295	15.7	1.8	3.8
Qatar Gas Transport (Nakilat)	2.38	0.00	32.74	13,186	14.3	2.1	4.2
Transportation				21,085			
Qatar Exchange				571,666			

Source: Bloomberg

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