

## Market Review and Outlook

The Qatar Stock Exchange (QSE) Index lost 83.17 points or 0.81% during the week, to close at 10,227.52. Market capitalization declined by 0.40% to QR569.4 billion (bn) versus QR571.7bn the previous trading week. Of the 46 listed companies, 13 companies ended the week higher, while 29 declined and 4 remained unchanged. Qatar Islamic Insurance (QISI) was the best performing stock for the week with a gain of 9.6% on a trading volume of 1.2 million (mn) shares traded only. On the other hand, Qatar Navigation (QNNS) was the worst performing stock for the week with a decline of 6.2% on 899,502 shares traded.

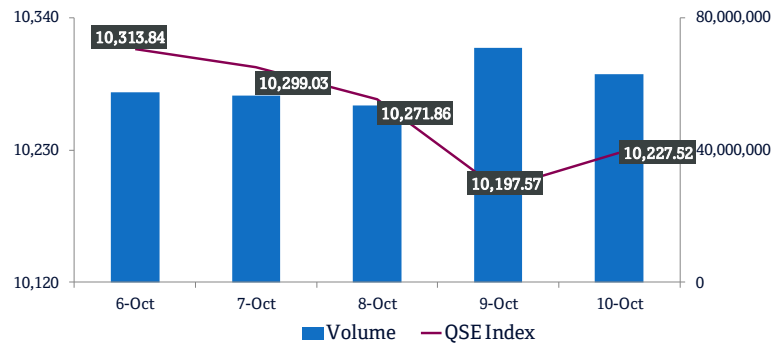
**Qatar Islamic Bank (QIBK), Qatar Insurance Co. (QATI) and Qatar Navigation (QNNS) were the primary contributors to the weekly index decline.** QIBK was the biggest contributor to the index's weekly decrease, deleting 32.6 points from the index. QATI was the second biggest contributor to the mentioned loss, shaving off 19.2 points from the index. Moreover, QNNS removed 17.9 points from the index. On the other hand, Qatar International Islamic Bank (QIIB) added 15.9 points to the index.

**Trading value decreased by 28.5% during the week to QR865.0mn versus QR1.2bn in the prior week.** The Banks & Financial Services sector led the trading value during the week, accounting for 55.8% of the total trading value. The Industrials sector was the second biggest contributor to the overall trading value, accounting for 16.3% of the total. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR173.2mn.

**Trading volume decreased by 51.2% to reach 301.0mn shares versus 616.6mn shares in the prior week.** The number of transactions decreased 31.7% to 23,571 transactions versus 34,496 transactions in the prior week. The Industrials sector led the trading volume, accounting for 30.0%, followed by the Banks & Financial Services sector, which accounted for 28.4% of the overall trading volume. Qatar German Co. for Medical Devices (QGMD) was the top volume traded stock during the week with 40.3mn shares traded.

**Foreign institutions remained negative with net selling of QR62.7mn vs. net selling of QR29.8mn in the prior week.** Qatari institutions remained bullish with net buying of QR52.5mn vs. net buying of QR64.3mn in the week before. Foreign retail investors remained bullish with net buying of QR10.1mn vs. net buying of QR6.7mn in the prior week. Qatari retail investors turned positive with net buying of QR112.4 thousand vs. net selling of QR41.1mn the week before. Foreign institutions have bought (net basis) ~\$1.3bn worth of Qatari equities in 2019.

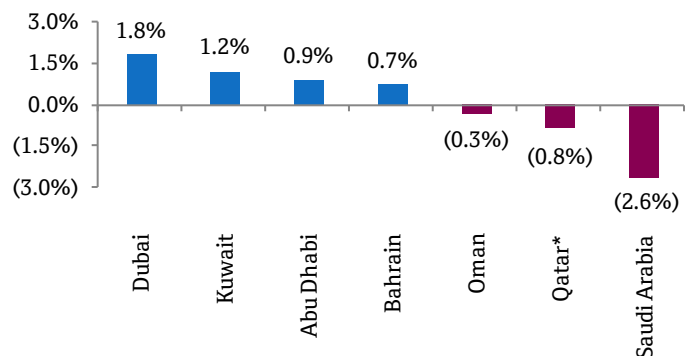
## QSE Index and Volume



Market Indicators	Week ended Oct 10, 2019	Week ended Oct 03, 2019	Chg. %
Value Traded (QR mn)	865.0	1,210.4	(28.5)
Exch. Market Cap. (QR mn)	569,367.1	571,666.0	(0.4)
Volume (mn)	301.0	616.6	(51.2)
Number of Transactions	23,571	34,496	(31.7)
Companies Traded	45	46	(2.2)
Market Breadth	13:29	21:21	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	18,819.51	(0.8)	(1.3)	3.7
ALL Share Index	3,021.97	(0.7)	(1.0)	(1.9)
Banks and Financial Services	3,978.25	(0.4)	(0.2)	3.8
Industrials	3,063.26	(0.4)	(2.0)	(4.7)
Transportation	2,525.53	(3.5)	(3.8)	22.6
Real Estate	1,464.74	(1.1)	0.3	(33.0)
Insurance	2,859.13	(3.0)	(3.8)	(5.0)
Telecoms	924.04	1.3	(0.2)	(6.5)
Consumer Goods & Services	8,554.33	(0.5)	(1.3)	26.7
Al Rayan Islamic Index	3,936.76	(0.4)	(1.3)	1.3

## 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*	10,227.52	(0.8)	(1.3)	(0.7)	236.47	156,348.2	14.7	1.5	4.2
Dubai	2,810.46	1.8	1.1	11.1	211.23	101,023.6	11.8	1.0	4.4
Abu Dhabi	5,073.49	0.9	0.3	3.2	132.67	140,647.2	15.2	1.4	4.9
Saudi Arabia*	7,715.89	(2.6)	(4.6)	(1.4)	3,696.84	485,617.1	19.0	1.7	3.9
Kuwait	5,705.88	1.2	0.5	12.3	388.77	106,250.4	14.1	1.4	3.7
Oman	4,013.55	(0.3)	(0.1)	(7.2)	25.65	17,447.5	8.1	0.8	6.8
Bahrain	1,523.04	0.7	0.4	13.9	20.37	23,703.4	11.4	1.0	5.1

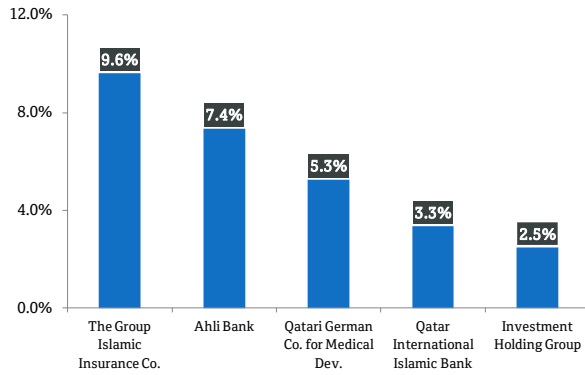
Source: Bloomberg, country exchanges and Zawya (\*\* Trailing Twelve Months; \* Value traded (\$ mn) do not include special trades, if any; \* Data as of October 09, 2019)

## Economic, Market &amp; Corporate News

- QNB Group delivers strong profit momentum for the nine months ended September 2019** – For the nine months ended 30 September 2019, net profit topped QAR11.2 billion, an increase of 4% compared to same period last year. Operating income increased by 4% to QAR19.1 billion. This reflects QNB Group's success in maintaining growth across the range of revenue sources. The Group's drive for operational efficiency is yielding cost-savings in addition to sustainable revenue generating sources. This helped QNB Group to improve the efficiency ratio (cost to income ratio) to 25.7%, from 26.2% last year, which is considered one of the best ratios among large financial institutions in the MEA region. Total assets reached QAR912 billion, an increase of 7% from 30 September 2018. Loans and advances grew by 8% to reach QAR653 billion, which contributed to the growth in total assets. This was mainly funded by customer deposits which increased by 7% to reach QAR663 billion from September 2018. QNB Group's strong asset liability management capabilities helped QNB Group to improve its loans to deposits ratio to 98.6% as at 30 September 2019. The ratio of non-performing loans to gross loans amounted to 1.9% as at 30 September 2019, a level considered one of the lowest amongst financial institutions in the MEA region, reflecting the high quality of the Group's loan book and the effective management of credit risk. The Group's conservative policy in regard to provisioning resulted in the coverage ratio at 104% as at 30 September 2019. Group Capital Adequacy Ratio (CAR) as at 30 September 2019 amounted to 18.2%, higher than the regulatory minimum requirements of the Qatar Central Bank and Basel Committee. Currency headwinds in our core markets had limited impact on the CAR. QNB Group remains the highest-rated bank in Qatar and one of the highest-rated banks in the world with ratings of 'Aa3' from Moody's, 'A' from S&P and 'A+' from Fitch. During September 2019, QNB Group obtained the regulatory approvals from Hong Kong Monetary Authority (HKMA) to open a branch in Hong Kong, one of the world's global financial hubs. The branch will provide a full range of banking products and services to individuals and corporate entities. QNB Group expansion in Hong Kong is another fundamental step in QNB Group's international expansion plans to support its growth strategy and market leadership in MEASEA, as well as establish a foothold in highly competitive markets. (QNB Group press release)
- MCGS posts 35.0% YoY increase but 24.8% QoQ decline in net profit in 3Q2019, beating our estimate** – Medicare Group's (MCGS) net profit rose 35.0% YoY (but declined 24.8% on QoQ basis) to QR10.1mn in 3Q2019, beating our estimate of QR6.8mn. The company's operating income came in at QR109.2mn in 3Q2019, which represents a decrease of 2.2% YoY (-8.0% QoQ). In 9M2019, MCGS reported net profit of QR44.0mn as compared to QR40.8mn in 9M2018. EPS amounted to QR0.16 in 9M2019 as compared to QR0.14 in 9M2018. *While our 3Q2019 revenue (variance 3.6%) and gross profit (variance 0.7%) estimates were in line, MCGS' G&A was lower than our estimate (variance 10.4%) and resulted in better than expected results.* (QSE, QNB FS Research).
- Nakilat takes full ownership of four Q-Flex LNG carriers** – Qatar Gas Transport Company Limited (Nakilat) stated it acquired full ownership of four Q-Flex liquefied natural gas (LNG) carriers from its joint-venture partner, International Seaways Inc. (INSW). This follows the execution of a sale and purchase agreement for the acquisition of the remaining 49.9% ownership interest in these vessels from INSW, according to a Nakilat statement. This brings the total number of vessels wholly-owned by Nakilat from 25 to 29 out of its overall fleet of 74 vessels, it added. Each of the four LNG carriers has a cargo carrying capacity of 217 000 cubic meters. They have all been operated and managed in-house by Nakilat's ship management arm, Nakilat Shipping Qatar Ltd (NSQL), since 2014. (Qatar Tribune)
- GISS to disclose 3Q2019 financial statements on October 29** – Gulf International Services (GISS) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 29, 2019. The company will conduct the investor relations earnings call on Tuesday, November 05, 2019. (QSE)
- IQCD to disclose 3Q2019 financial statements on October 24** – Industries Qatar (IQCD) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 24, 2019. The company will conduct the investor relations earnings call on Thursday, October 31, 2019. (QSE)
- QEWS to disclose 3Q2019 financial statements on October 23** – Qatar Electricity & Water Company (QEWS) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 23, 2019. (QSE)
- QNNS to disclose 3Q2019 financial statements on October 28** – Qatar Navigation (QNNS) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 28, 2019. (QSE)
- MCCS to disclose 3Q2019 financial statements on October 28** – Mannai Corporation (MCCS) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 28, 2019. (QSE)
- QGMD to disclose 3Q2019 financial statements on October 27** – Qatari German Company for Medical Devices (QGMD) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 27, 2019. (QSE)
- MPHC to disclose 3Q2019 financial statements on October 28** – Mesaieed Petrochemical Holding Company (MPHC) announced its intent to disclose 3Q2019 financial statements for the period ending September 30, 2019, on October 28, 2019. The company will conduct the investor relations earnings call on Sunday, November 04, 2019. (QSE)

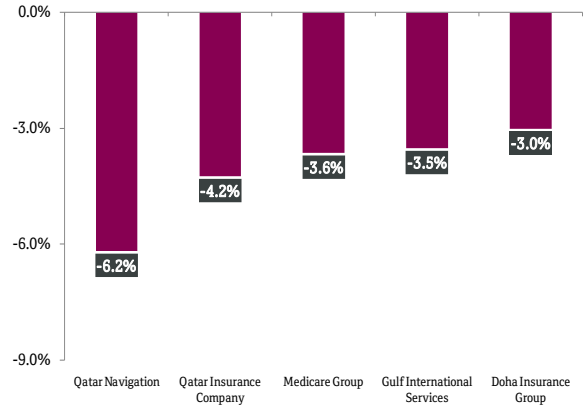
# Qatar Stock Exchange

## Top Gainers



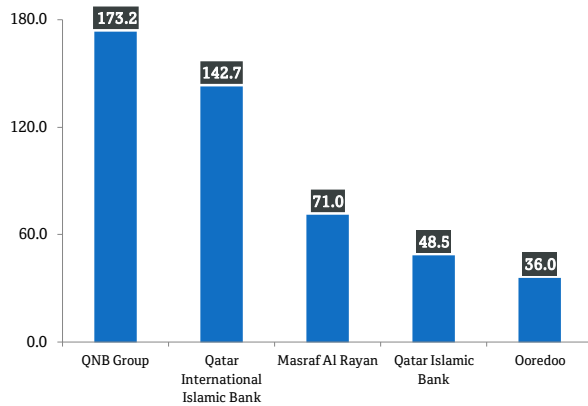
Source: Qatar Stock Exchange (QSE)

## Top Decliners



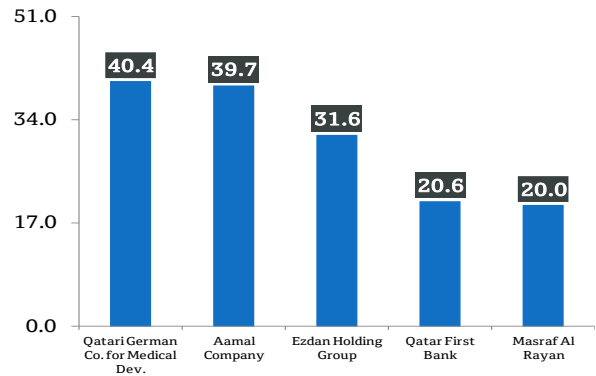
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Value (QR Million)



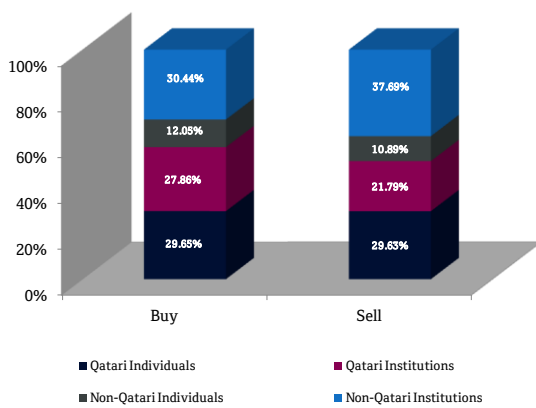
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Volume (Million)



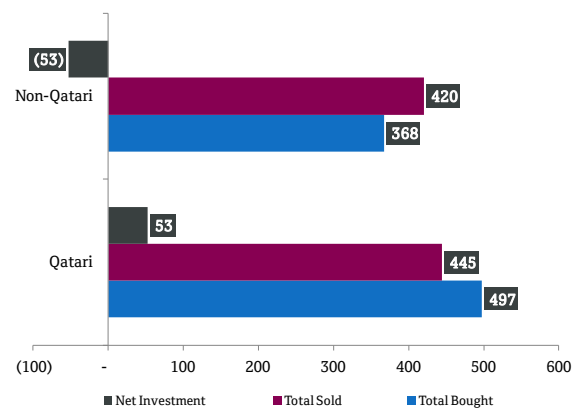
Source: Qatar Stock Exchange (QSE)

## 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 by 0.81% from the week before, and closed at the 10,227.52 level. The Index kept moving inside the corrective channel and bounced below the strong resistance, around the 10,600 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 10	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	19.29	(0.05)	(1.08)	178,171	13.8	2.5	3.1
Qatar Islamic Bank	15.10	(2.58)	(0.66)	35,680	13.5	2.3	3.3
Commercial Bank of Qatar	4.37	(0.68)	10.94	17,686	11.9	1.1	3.4
Doha Bank	2.53	(2.69)	13.96	7,844	11.8	0.8	4.0
Al Ahli Bank	3.65	7.35	43.39	8,446	12.5	1.5	2.5
Qatar International Islamic Bank	9.26	3.35	40.05	14,017	16.5	2.5	4.3
Masraf Al Rayan	3.55	0.28	(14.83)	26,625	12.4	2.1	5.6
Al Khaliji Bank	1.19	0.85	3.12	4,284	7.5	0.7	6.3
Qatar First Bank	0.30	(0.98)	(25.74)	606	NA	0.9	NA
National Leasing	0.70	0.00	(20.82)	344	47.4	0.5	7.2
Diala Holding	0.68	(0.87)	(31.70)	194	NA	0.9	NA
Qatar & Oman Investment	0.53	1.15	(0.75)	167	52.8	0.6	5.7
Islamic Holding Group	1.98	0.00	(9.38)	112	309.0	0.8	NA
<b>Banking and Financial Services</b>				<b>294,177</b>			
Zad Holding	13.33	(1.26)	28.17	1,918	14.8	2.2	6.4
Qatar German Co. for Medical Devices	0.80	5.26	41.34	92	NA	2.6	NA
Salam International Investment	0.40	(1.95)	(7.16)	460	NA	0.4	NA
Medicare Group	7.69	(3.63)	21.87	2,164	27.5	2.2	23.4
Qatar Cinema & Film Distribution	2.20	0.00	15.67	138	17.6	1.0	6.8
Qatar Fuel	23.00	(0.39)	38.56	22,868	19.0	2.9	3.5
Qatar Meat and Livestock	6.27	0.64	(10.43)	1,129	10.2	3.5	7.2
Mannai Corp.	3.24	(1.82)	(41.04)	1,478	4.5	0.6	6.2
Al Meera Consumer Goods	15.60	1.83	5.41	3,120	17.0	2.3	5.4
<b>Consumer Goods and Services</b>				<b>33,367</b>			
Qatar Industrial Manufacturing	3.61	0.00	(15.46)	1,715	11.9	1.1	6.9
Qatar National Cement	5.95	(0.83)	0.00	3,888	14.7	1.3	8.4
Industries Qatar	10.83	0.28	(18.94)	65,522	16.5	2.0	5.5
Qatari Investors Group	1.84	(1.08)	(33.84)	2,288	16.5	0.8	4.1
Qatar Electricity and Water	15.36	(0.90)	(16.97)	16,896	12.6	1.8	5.0
Aamal	0.71	(0.70)	(19.23)	4,498	11.4	0.6	8.4
Gulf International Services	1.65	(3.51)	(2.94)	3,066	NA	0.9	NA
Mesaieed Petrochemical Holding	2.85	(0.70)	89.62	35,805	34.8	2.5	2.8
Investment Holding Group	0.54	2.47	10.22	447	7.1	0.6	4.6
Qatar Aluminum Manufacturing	0.89	(2.83)	(33.03)	4,989	NA	NA	2.2
<b>Industrials</b>				<b>139,115</b>			
Qatar Insurance	3.16	(4.24)	(11.98)	10,321	17.8	1.3	4.7
Doha Insurance	1.00	(3.01)	(23.68)	500	8.2	0.5	8.0
Qatar General Insurance & Reinsurance	3.40	(2.86)	(24.24)	2,975	14.0	0.5	2.9
Al Khaleej Takaful Insurance	1.97	0.51	129.34	503	16.2	1.0	2.6
Qatar Islamic Insurance	6.96	9.61	29.58	1,044	14.9	2.9	5.0
<b>Insurance</b>				<b>15,343</b>			
United Development	1.36	(1.45)	(7.80)	4,816	10.4	0.4	7.4
Barwa Real Estate	3.34	(0.60)	(16.31)	12,997	8.5	0.7	7.5
Ezdan Real Estate	0.65	(2.10)	(49.77)	17,294	58.4	0.5	NA
Mazaya Qatar Real Estate Development	0.72	(2.30)	(7.31)	837	NA	0.7	6.9
<b>Real Estate</b>				<b>35,944</b>			
Ooredoo	7.25	1.97	(3.33)	23,223	13.5	1.0	3.4
Vodafone Qatar	1.23	(0.81)	(21.25)	5,199	35.6	1.2	4.1
<b>Telecoms</b>				<b>28,422</b>			
Qatar Navigation (Milaha)	6.23	(6.17)	(5.62)	7,135	13.2	0.5	4.8
Gulf Warehousing	4.95	(1.59)	28.67	290	15.5	1.7	3.8
Qatar Gas Transport (Nakilat)	2.34	(1.68)	30.51	12,964	14.0	2.1	4.3
<b>Transportation</b>				<b>20,389</b>			
<b>Qatar Exchange</b>				<b>569,367</b>			

Source: Bloomberg

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