

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index increased by 358.99 points or 3.00% during the week, to close at 12,318.12. Market capitalization increased by 3.05% to QR700.3 billion (bn) as compared to QR679.6bn at the end of the previous week. Of the 47 traded companies, 41 ended the week higher, while 6 ended lower. Mesaieed Petrochemical Holding Co. (MPHC) was the best performing stock for the week, with a gain of 9.95%. On the other hand, Qatar Cinema (QCFS) was the worst performing stock with a decline by 4.05%.

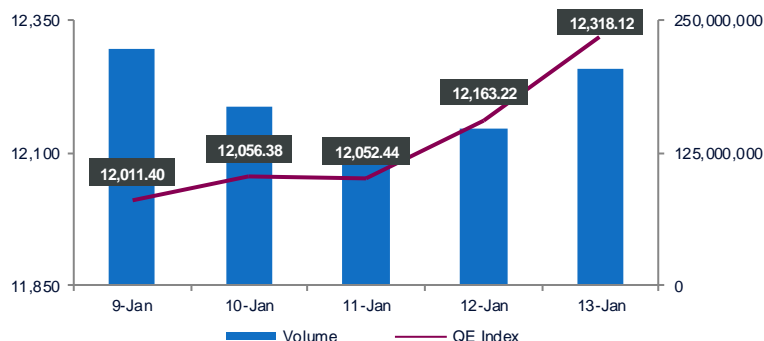
Qatar Islamic Bank (QIBK), QNB Group (QNBK) and Mesaieed Petrochemical Holding (MPHC) were the primary contributors to the weekly index gain. QIBK and QNBK added 88.6 and 74.0 points to the index, respectively. Moreover, MPHC added another 42.2 points to the index.

Trading value during the week surged by 80.9% to QR2,890.0mn vs. QR1,597.4mn in the prior trading week. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR667.1mn.

Trading volume jumped by 61.8% to 878.6mn shares vs. 542.9mn shares in the prior trading week. The number of transactions went up by 43.3% to 56,440 versus 39,400 in the prior week. Salam International (SIIS) was the top volume traded stock during the week with total traded volume of 115.3mn shares.

Foreign institutions remained bullish, ending the week with net buying of QR798mn vs. net buying of QR251mn in the prior week. Qatari institutions remained negative with net selling of QR474mn vs. net selling of QR130mn in the week before. Foreign retail investors ended the week with net buying of QR5mn vs. net buying of QR27mn in the prior week. Qatari retail investors remained bearish with net selling of QR330mn vs. net selling of QR147mn the week before.

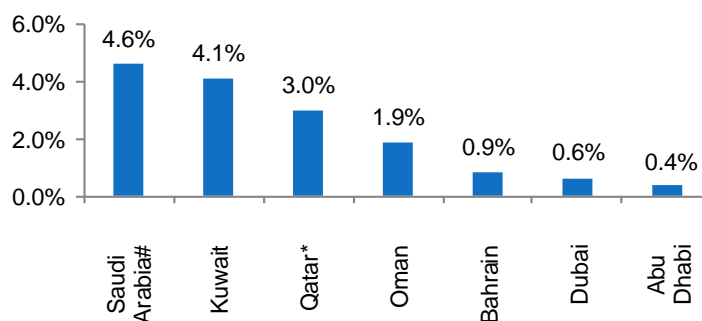
QSE Index and Volume



Market Indicators	Week ended Jan 13, 2022	Week ended Jan 06, 2022	Chg. %
Value Traded (QR mn)	2,889.9	1,597.4	80.9
Exch. Market Cap. (QR mn)	700,288.5	679,587.1	3.0
Volume (mn)	878.6	542.9	61.8
Number of Transactions	56,440	39,400	43.2
Companies Traded	47	47	0.0
Market Breadth	41:6	30:16	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	24,384.45	3.0	6.0	6.0
ALL Share Index	3,876.62	3.0	4.8	4.8
Banks and Financial Services	5,238.77	3.7	5.6	5.6
Industrials	4,271.67	2.4	6.2	6.2
Transportation	3,688.37	2.4	3.7	3.7
Real Estate	1,859.14	3.5	6.8	6.8
Insurance	2,649.18	1.3	(2.9)	(2.9)
Telecoms	1,082.34	1.0	2.3	2.3
Consumer Goods & Services	8,255.21	1.2	0.5	0.5
Al Rayan Islamic Index	5,008.33	2.7	6.2	6.2

Weekly Index Performance



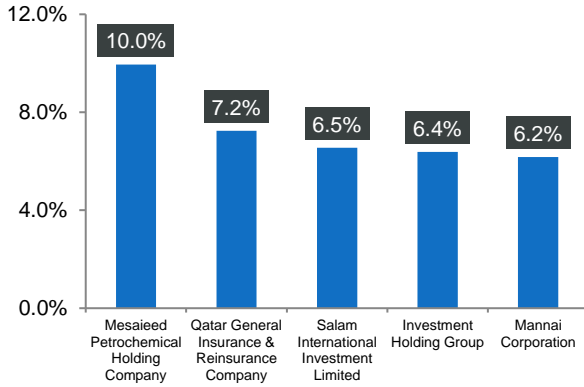
Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value (\$ mn)	Exchange Mkt. Cap. (\$ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	12,318.12	3.0	6.0	6.0	792.72	191,318.8	17.1	1.8	2.4
Dubai	3,214.60	0.6	0.6	0.6	376.27	111,594.6#	20.1	1.1	2.4
Abu Dhabi	8,426.41	0.4	(0.7)	(0.7)	1,619.20	400,386.9	23.1	2.5	2.7
Saudi Arabia#	11,957.08	4.6	6.0	6.0	9,106.16	2,742,789.3	26.3	2.5	2.2
Kuwait	7,389.50	4.1	4.9	4.9	1,331.34	141,081.7	21.6	1.7	2.1
Oman	4,266.93	1.9	3.3	3.3	62.02	19,492.8	12.1	0.9	3.7
Bahrain	1,804.35	0.9	0.4	0.4	21.91	28,779.0	9.8	0.9	3.5

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; #Data as of January 12, 2022)

- **Qatar's GDP grows 40.6% in third quarter** – Qatar's quarterly Gross Domestic Product (GDP) at current prices has risen by 40.6% to QR176.23bn in the third quarter (Q3) of 2021 compared to QR125.33bn during the Q3 of 2020, according to the preliminary estimates of GDP released. When compared to previous quarter (Q2) of 2021 revised estimate of QR156.29bn, an increase of 12.8% is recorded. The quarterly GDP at constant prices shows an increase of 2.6% in Q3 of 2021 (QR168.13bn) compared to the estimate of Q3 of 2020 (QR163.9bn). When compared to Q2 of 2021 revised estimate (QR 161.71bn), an increase of 4% is also recorded. In the Mining and Quarrying Activities, the nominal gross value added (GVA) estimate of Mining and Quarrying activities is estimated at QR67.98bn in Q3 2021, which shows an increase of 101.9% over the estimate of Q3 2020 placed at QR 33.67bn. Compared to the previous quarter revised estimate (QR57.49bn), an increase of 18.2% in the GVA of this sector is recorded. (Peninsula Qatar)
- **Oxford Economics: Qatar's GDP growth to gain speed; seen at 3.7% in 2022, 3.5% in 2023** – Qatar's GDP growth will gain speed at 3.7% in 2022 and 3.5% in 2023-24, according to researcher Oxford Economics. The researcher estimates Qatar's economy will have grown by 2.5% in 2021. In its forecast overview, Oxford Economics said domestic activity has gained strength since (pandemic-induced) restrictions were eased. The manufacturing PMI reached 63.1 in November 2021, up from 62.2 in October last year, signaling the strongest improvement in business conditions in the series' history, with both output and new orders trending up amid improving confidence. Recent GDP data shows the economy continued to rebound in Q2, despite tighter restrictions, with annual growth of 4% on the back of a 6.2% y/y surge in the non-oil sector. (Gulf-Times.com)
- **Oxford Economics: Qatar budget surplus to rise to nearly 6% of GDP in 2022** – Qatar's budget surplus is expected to rise to about 6% of GDP in 2022, due to higher oil and gas revenues, Oxford Economics has said in a report. While the country's budget moved into deficit in 2017, this was temporary and returned to surplus in 2018. However, it began to narrow again in 2019 and, given the slump in oil and gas prices, it moved into deficit of 2.1% of GDP in 2020, Oxford Economics said in its latest 'Country economic forecast'. Qatar's 2022 budget is based on a conservative oil price estimate of \$55 per barrel, well below the researcher's forecast of \$71 next year. "On this basis, the authorities project a slight deficit of QR8.3bn, or roughly 1% of GDP next year, while we see a surplus of close to 6%, with higher revenues facilitating an increase in spending," Oxford Economics said. (Gulf-Times.com)
- **World Bank: Qatar economy to grow 4.8% this year and 4.9% in 2023** – Qatar's economy is expected to grow 4.8% this year and 4.9% in 2023, the World Bank has said in its latest forecast. Qatar's GDP growth next year will be the GCC's best, the forecast has shown. In 2023, Bahrain's economy has been forecast to grow at 2.9%, Kuwait (3%), Oman (4.1%), Saudi Arabia (2.3%) and UAE (2.9%). Overall, the growth in Middle East and North Africa (MENA) region is expected to accelerate to 4.4% in 2022, an upward revision from June 2021 and moderate to 3.4% in 2023, World Bank said. The gap in average per capita income between MENA and advanced economies is projected to widen during the forecast horizon, however. Higher oil and natural gas prices and increased production are expected to benefit energy exporters. Saudi Arabia's oil sector is expected to rebound strongly, boosting exports, while non-oil activity should benefit from high vaccination rates and accelerating investment. (Gulf-Times.com)
- **QNB Group reports strong financial results for the FY 2021** – QNB Group achieved strong growth in net profit for 2021 and in line with QNB Group's strategy of maximizing returns to its shareholders, the Board of Directors have recommended to the General Assembly the distribution of a cash dividend of 55% of the nominal share value (QAR0.55 per share). The financial results for 2021 along with the proposed profit distribution are subject to Qatar Central Bank (QCB) approval. Net Profit for the full year reached QAR13.2 billion, an increase of 10% compared to last year. Operating Income increased by 11% to QAR28.3 billion driven by strong growth in top line performance. This reflects QNB Group's success in maintaining sustainable and strong growth across a number of revenue segments. In addition, QNB Group continued to build additional loan loss provisions during the year as a conservative measure, which resulted in the loan loss provision charge for the year ended 31 December 2021 reaching QAR7.1 billion, an increase of 21% from last year. This helped to improve coverage ratio to 117%, which reflects the conservative approach adopted by the Group in managing its loans and advances portfolio. The Group's drive for operational efficiency continues to result in cost savings and strong revenue sources that has helped QNB Group to improve efficiency (cost to income) ratio from 24.3% to 22.2%, which is considered as one of the best ratios among large financial institutions in the MEA region. Total Assets reached QAR1,093 billion, an increase of 7% from 31 December 2020, mainly driven by strong growth in Loans and advances by 6% to reach QAR764 billion. Robust customer deposits generation helped to increase customer deposits by 6% to reach QAR786 billion as at 31 December 2021. QNB Group's strong asset-liability management capabilities enabled QNB Group to improve its loans to deposits ratio from 98.0% to 97.2% as at 31 December 2021 reflecting the improvement in the Group's overall liquidity. The ratio of non-performing loans to gross loans remained stable at 2.3% as at 31 December 2021, 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. Also during the year, QNB Group increased its loan loss provision charge by QAR7.1 billion, as QNB Group remains cautious on the external environment with respect to potential risks that may arise from key markets where QNB Group operates. This helped the Group to increase its coverage ratio to 117%, which reflects the prudent approach adopted by the Group towards non-performing loans. Group Capital Adequacy Ratio (CAR) as at 31 December 2021 amounted to 19.3%, higher than the regulatory minimum requirements of the Qatar Central Bank and Basel Committee. During the year, QNB Group accessed global debt markets for debt securities issuance under its EMTN programme, a USD1 billion five-year bond issued in January 2021 and a debut bond launch in Hong Kong Stock Exchange for USD600 million with a three year maturity which was successfully placed in June 2021. QNB Group supported by 27,000 staff resources operating from approximately 1,000 locations and 4,500 ATMs. (QSE)

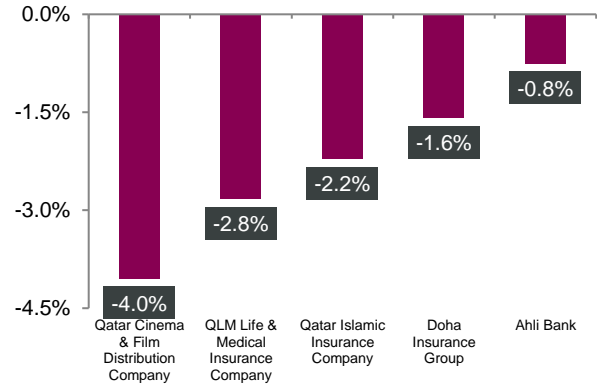
Qatar Stock Exchange

Top Gainers



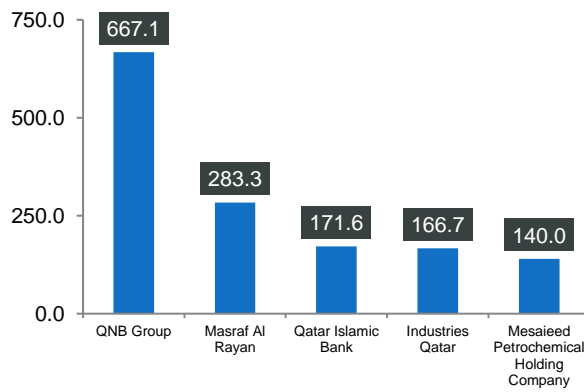
Source: Qatar Stock Exchange (QSE)

Top Decliners



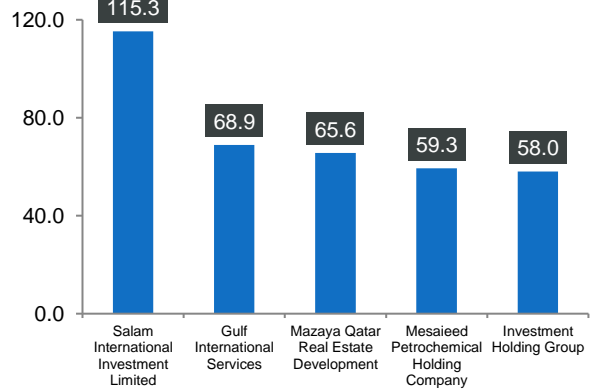
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



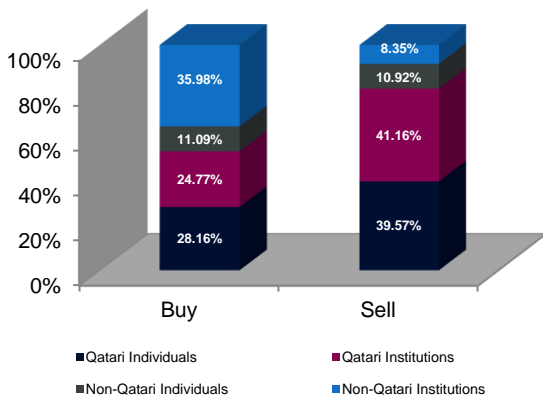
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



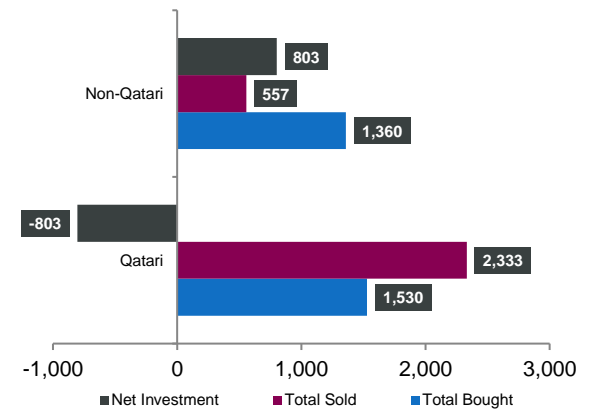
Source: Qatar Stock Exchange (QSE)

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



The QE Index added another 3% from the previous week and closed at 12,318.12. The momentum remains to be healthy as we saw increased volumes on the uptick and major averages remain to be stacked in a bullish manner. The Index managed to move into its six-year-high levels, which is expected to increase the confidence in the overall market while less resistance to be expected against the recent breakout above 12,000 points. We see a soft resistance around the 12,800 points then a hard resistance level at 13,000 points. We keep our weekly support level at the 11,500 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 13	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	21.00	4.17	4.01	193,965	15.9	2.5	2.1
Qatar Islamic Bank	20.02	5.42	9.22	47,306	14.9	2.4	2.0
Commercial Bank of Qatar	7.04	3.13	4.37	28,509	13.8	1.5	1.4
Doha Bank	3.04	1.40	(5.09)	9,416	15.0	0.9	2.5
Al Ahli Bank	3.96	(0.75)	3.39	9,621	13.7	1.5	3.8
Qatar International Islamic Bank	10.20	6.03	10.75	15,440	17.3	2.4	3.2
Masraf Al Rayan	5.00	0.48	7.76	46,500	16.8	2.5	3.4
Qatar First Bank	1.81	1.12	1.12	1,267	10.7	2.3	N/A
National Leasing	0.97	1.46	3.62	482	19.3	0.7	2.6
Dlala Holding	1.30	5.59	5.67	371	24.0	1.6	N/A
Qatar & Oman Investment	0.86	5.50	6.02	272	48.1	0.9	N/A
Islamic Holding Group	3.92	2.32	(0.63)	222	39.2	1.5	1.3
Banking and Financial Services				353,370			
Zad Holding	16.49	(0.66)	(1.26)	4,299	22.2	2.9	3.9
Qatar German Co. for Medical Devices	3.21	0.25	0.94	371	121.6	11.2	N/A
Salam International Investment	0.88	6.55	7.33	1,005	N/A	0.7	N/A
Baladna	1.54	2.33	6.23	2,918	N/A	1.3	3.5
Medicare Group	8.40	1.05	(1.21)	2,363	26.2	2.3	21.4
Qatar Cinema & Film Distribution	3.60	(4.05)	1.49	226	73.7	1.6	2.8
Qatar Fuel	18.20	1.05	(0.44)	18,095	17.8	2.1	2.5
Qatar Meat and Livestock	3.64	1.59	1.17	654	N/A	2.1	2.8
Mannai Corp.	5.38	6.17	13.37	2,456	6.1	1.1	0.2
Al Meera Consumer Goods	19.70	1.55	0.51	3,940	21.8	2.6	4.6
Consumer Goods and Services				36,327			
Qatar Industrial Manufacturing	3.20	4.47	4.23	1,521	12.4	0.9	3.1
Qatar National Cement	5.45	2.10	6.86	3,562	15.1	1.2	3.7
Industries Qatar	16.14	0.50	4.20	97,647	14.7	2.6	2.0
Qatari Investors Group	2.33	4.95	5.14	2,902	21.1	1.0	2.6
Qatar Electricity and Water	17.08	0.59	2.89	18,788	14.3	1.7	3.7
Aamal	1.13	3.21	3.87	7,094	29.5	0.9	3.6
Gulf International Services	1.83	6.17	6.35	3,392	N/A	1.0	N/A
Mesaieed Petrochemical Holding	2.48	9.95	18.42	31,094	19.0	1.9	1.6
Investment Holding Group	1.30	6.38	5.86	1,080	54.3	1.3	N/A
Qatar Aluminum Manufacturing	1.98	4.54	9.88	11,043	18.3	1.8	1.8
Industrials				178,121			
Qatar Insurance	2.62	1.32	(4.76)	8,554	16.1	1.0	N/A
QLM Life & Medical Insurance	5.15	(2.83)	1.98	1,803	N/A	3.0	N/A
Doha Insurance	1.86	(1.58)	(2.97)	932	13.3	0.8	5.4
Qatar General Insurance & Reinsurance	2.00	7.24	0.00	1,750	13.6	0.3	N/A
Al Khaleej Takaful Insurance	3.71	3.51	3.11	948	19.5	1.9	1.4
Qatar Islamic Insurance	7.91	(2.21)	(1.13)	1,187	15.3	2.9	4.1
Insurance				15,172			
United Development	1.63	2.32	5.91	5,775	18.7	0.5	3.1
Barwa Real Estate	3.35	4.40	9.44	13,032	10.6	0.6	3.7
Ezdan Real Estate	1.37	4.02	2.39	36,419	94.7	1.1	N/A
Mazaya Qatar Real Estate Development	0.96	3.35	3.80	1,106	36.0	0.9	3.1
Real Estate				56,331			
Ooredoo	7.17	0.43	2.14	22,967	N/A	1.1	3.5
Vodafone Qatar	1.71	2.39	2.76	7,241	27.8	1.6	2.9
Telecoms				30,208			
Qatar Navigation (Milaha)	7.95	2.54	4.07	9,104	27.5	0.6	3.8
Gulf Warehousing	4.65	2.83	2.42	272	11.9	1.4	2.2
Qatar Gas Transport (Nakilat)	3.42	2.18	3.55	18,931	14.8	2.3	3.2
Transportation				28,307			
Qatar Exchange				700,288			

Source: Bloomberg

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