

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index increased by 83.4 points, or 0.81% during the week, to close at 10,340.37. Market capitalization rose by 1.3% to reach QR575.8 billion (bn) as compared to QR568.3bn at the end of the previous week. Of the 47 listed companies, 19 companies ended the week higher, while 23 fell and 5 remained unchanged. QNB Group (QNBK) was the best performing stock for the week, with a gain of 3.7%. On the other hand, Qatar Oman Investment Company (QOIS) was the worst performing stock with a decline of 7.7%.

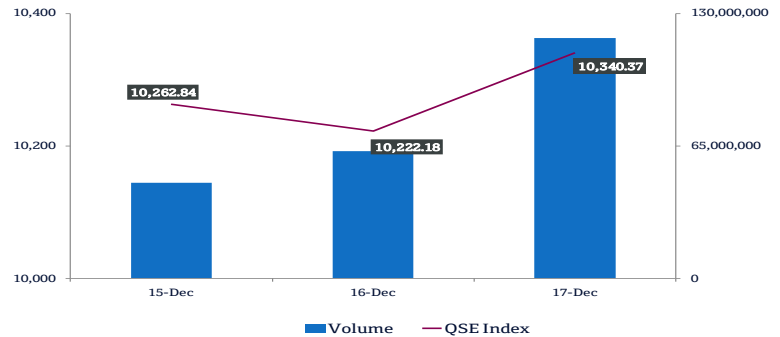
QNB Group (QNBK), Qatar Islamic Bank (QIBK) and Mesaieed Petrochemical Holding Company (MPHC) were the primary contributors to the weekly index gain. QNBK was the biggest contributor to the index's weekly increase, adding 58.6 points to the index. QIBK was the second biggest contributor to the mentioned gain, tacking on 16.3 points to the index. Moreover, MPHC contributed 16.0 points to the index.

Trading value during the week decreased by 12.0% to reach QR849.9mn vs. QR965.8mn in the prior week. The Banks & Financial Services sector led the trading value during the week, accounting for 64.5% of the total trading value. Industrials sector was the second biggest contributor to the overall trading value, accounting for 15.5% of the total trading value. QNBK was the top value traded stock during the week with total traded value of QR309.9mn.

Trading volume fell by 40.1% to reach 227.2mn shares vs. 379.4mn shares in the prior week. The number of transactions decreased by 35.3% to reach 20,426 transactions versus 31,551 transactions in the prior week. Banks & Financial Services sector led the trading volume, accounting for 44.1%, followed by the Industrials sector comprising 24.7% of the overall trading volume. Qatar First Bank (QFBQ) was the top volume traded stock during the week with total traded volume of 30.8mn shares.

Foreign institutions ended the week with net buying of QR122.0mn vs. net selling of QR0.8mn in the prior week. Qatari institutions turned bearish with net selling of QR40.3mn vs. net buying of QR44.2mn in the week before. Foreign retail investors turned negative with net selling of QR11.3mn vs. net buying of QR13.5mn in the prior week. Qatari retail investors remained bearish with net selling of QR70.5mn vs. net selling of QR56.9mn the week before. Foreign institutions have bought (net basis) ~\$1.4bn worth of Qatari equities in 2019.

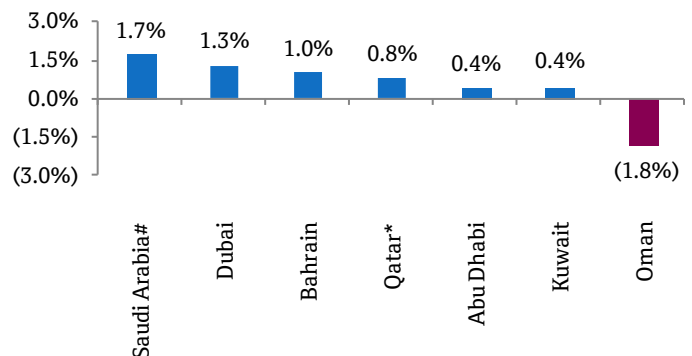
QSE Index and Volume



Market Indicators	Week ended Dec 17, 2019	Week ended Dec 12, 2019	Chg. %
Value Traded (QR mn)	849.9	965.8	(12.0)
Exch. Market Cap. (QR mn)	575,830.9	568,269.6	1.3
Volume (mn)	227.2	379.4	(40.1)
Number of Transactions	20,426	31,551	(35.3)
Companies Traded	47	47	0.0
Market Breadth	19:23	18:26	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	19,027.15	0.8	1.9	4.9
ALL Share Index	3,065.44	1.2	2.2	(0.4)
Banks and Financial Services	4,142.01	2.3	3.5	8.1
Industrials	2,939.05	(0.2)	0.6	(8.6)
Transportation	2,582.15	(0.4)	(1.8)	25.4
Real Estate	1,529.54	0.1	2.2	(30.1)
Insurance	2,715.19	0.7	0.2	(9.7)
Telecoms	898.71	(1.4)	1.1	(9.0)
Consumer Goods & Services	8,616.13	0.3	1.2	27.6
Al Rayan Islamic Index	3,943.70	0.2	1.3	1.5

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*	10,340.37	0.8	1.9	0.4	460.44	158,123.2	15.0	1.5	4.1
Dubai	2,758.39	1.3	3.0	9.0	246.93	101,973.2	10.9	1.0	4.2
Abu Dhabi	5,058.61	0.4	0.6	2.9	166.30	140,641.3	15.6	1.4	4.9
Saudi Arabia#	8,138.99	1.7	3.6	4.0	8,282.70	2,532,665.7	21.0	1.8	3.7
Kuwait	6,139.48	0.4	3.6	20.9	418.72	115,203.8	15.1	1.4	3.5
Oman	3,948.86	(1.8)	(2.8)	(8.7)	20.63	17,062.7	7.5	0.7	7.6
Bahrain	1,583.65	1.0	3.7	18.4	9.33	24,771.7	12.8	1.0	4.9

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; #Data as of December 16, 2019)

Economic News / Market & Corporate News

- Qatar presents 2020 budget with 5-year high spending; Amir approves 2020 budget** – HH the Amir Sheikh Tamim bin Hamad Al Thani issued on Monday Law No 26 of 2019 approving the State's general budget for 2020. The law is effective as of January 1, 2020 and shall be published in the official gazette. Qatar has presented an expansionary 2020 general budget with a five-year high expenditure, yet making a modest surplus, reflecting unhindered development projects across sectors such as new housing for nationals, food security and those in the free and special economic zones. Total revenue is forecast at QR211bn, unchanged from the 2019 budget; whereas expenditure is slated to see almost 2% YoY jump to QR210.5bn, leaving a budget surplus of QR500mn, amidst a continued conservative oil price estimate of \$55 a barrel. "The 2020 budget is designed to achieve efficiency in the current expenditure while maintaining the allocations required for the completion of major approved projects. These contribute to the sustainable development targets of the Qatar National Vision 2030, which focuses on economic, social, human, and environmental development," the Ministry of Finance stated in a statement. The budget also places significant importance on providing funds for the development of new housing areas for nationals, enhancing food security projects, and the establishment of infrastructure and facilities in free zones, special economic zones, and industrial and logistics zones. These projects will support economic growth and diversification. Allocations to salaries and wages have been budgeted at QR59bn, up 3.3% YoY. This growth is on account of the budgeted headcount increase necessary to operate several recently completed projects, including schools, university facilities, and healthcare centers. Hiring requirements also increased in other sectors such as transport, given the opening of the Doha Metro. Expenditure in major projects has been budgeted at QR90bn, which is 0.6% higher than that in the previous budget. Major projects, which constitute almost 43% of total expenditure, represent the largest share of the overall budget. The 2020 budget includes allocations for the development of 13 new housing areas for nationals, to provide different facilities such as water, electricity and sewerage networks, and roads. The housing plan will cost QR12bn over five years. The allocation for the healthcare sector is QR22.6bn, representing around 11% of the total expenditure in 2020. Major projects to improve healthcare services include expansion in Hamad Medical Corporation facilities; and establishment of several new healthcare centers. Education sector is allocated QR22.1bn in the 2020 budget, representing 10.5% of total expenditure. Major projects in the education sector currently underway include expansions in schools and other educational facilities network. (Gulf-Times.com)
- Qatar's CPI inflation falls 0.69% YoY in November** – Qatar's cost of living, based on consumer price index (CPI) inflation, declined 0.69% YoY in November 2019 mainly on fall in the indices of clothing, recreation, housing and transport, according to the official statistics. The country however witnessed 0.22% jump

in inflation on monthly basis, according to the Planning and Statistics Authority (PSA). The International Monetary Fund, in its latest Article IV consultation with Qatar, said inflation is projected to peak at 3.7% in 2020 with the introduction of a value added tax, but converge to 2% in the medium term. The index of housing, water, electricity and other fuels – with a weight of 21.89% in the CPI basket – saw 2.28% and 0.36% decline YoY and MoM respectively in November 2019. The CPI of November 2019 excluding 'housing, water, electricity, gas and other fuels', declined 0.25% on yearly basis but witnessed a 0.38% jump on monthly basis. The index of transport, which has 14.59% weightage, has tanked 1.64% YoY but grew 0.4% MoM this November. The sector has the direct linkage to the dismantling of administered prices in petrol and diesel. Communication, which carries 5.87% weight, saw its group index shrank 0.11% on yearly basis, but treaded a flat path MoM this November. Food and beverages, which has a weight of 12.58% in the CPI basket, witnessed a 1.13% and 1.02% growth YoY and MoM respectively in October 2019. (Gulf-Times.com)

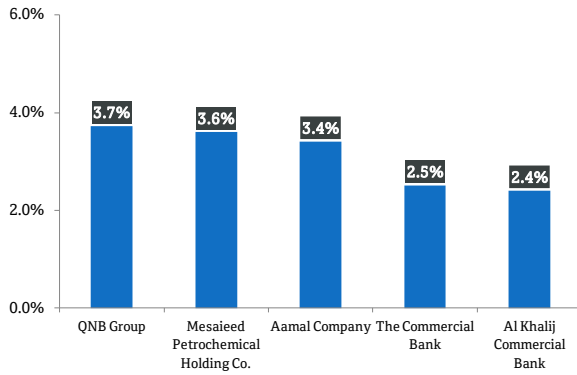
- Jumbo Electronics appoints GWCS as strategic logistics partner** – Jumbo Electronics, one of the leading retailers, distributors and MEP companies in Qatar, recently appointed Gulf Warehousing Company (GWCS) as its strategic logistics and supply chain partner. Prior to the appointment Jumbo Electronics managed its own logistics. Jumbo Electronics' distribution business includes brands such as LG, Indesit, Ariston, Oscar, JBL, Harman Kardon, Morphy Richards, Symphony, Hikoki, Nutribullet, Brother and Dometic, with products ranging from small and large appliances to a range of home entertainment products like televisions, sound bars, etc. "Over the years, its business has witnessed rapid growth, which has come about with the addition of new business lines and enhancement of its brand portfolio," the company stated in a statement. GWCS is a leading provider of logistics and supply chain solutions in Qatar. It offers a full spectrum of high-quality solutions to a variety of industry verticals. The company is backed by a team of experts in the field and supported by state-of-the-art IT systems and logistical infrastructure. At GWCS, Jumbo Electronics has a dedicated and scalable storage space as per business needs. The automated warehouse at GWCS utilizes state-of-the-art equipment for handling both inbound and outbound products. The facility is centrally air-conditioned, which keeps dust and heat at bay, which ensures that all products are stored in a clean environment. GWCS is currently delivering to Jumbo's channel partners, hypermarkets, dealers and end customers. GWCS, with its large fleet of Jumbo-branded vehicles, is also being efficiently utilized for deliveries of Jumbo's new e-commerce business that commenced earlier this year. (Gulf-Times.com)
- Manateq, QIBK sign MoU to facilitate 'preferential financing' for logistics parks investors** – Manateq has signed a memorandum of understanding (MoU) with Qatar Islamic Bank (QIBK) to facilitate preferential financing for its logistics parks investors. Under the agreement, investors in Manateq's four logistics parks – Jery Al Samur, Birkat Al Awamer, Al Wakra and Aba Saleel will be able to raise 60% of their project financing

against land and personal guarantees from QIBK. The agreement aims to facilitate the growth of the country's small-to-medium enterprises (SME) sector. Manateq's CEO, Fahad Rashid Al-Kaabi said, "This partnership with QIBK reflects our commitment to provide the highest levels of services to meet the requirements of our valued customers. This is an additional incentive for investors to locate to our logistics parks where they can benefit from a range of client services, unparalleled inter-connectivity, integrated infrastructure, an easy setup process, and now financing. By facilitating the easy start-up of businesses in these parks we hope to attract a wider range of sectors, indigenous enterprises and local investment. Our strategy of proactive business facilitation will bring significant contributions and benefits to the country including the development of a vibrant private sector and a diversified knowledge-based economy." (Gulf-Times.com)

- **Malaysian Prime Minister visits Baladna Food Industries** – Malaysia's Prime Minister, Mahathir Mohamed, and Malaysia's Economic Affairs Minister Mohamed Azmin Ali, visited Baladna Food Industries (BFI), the largest producer of dairy products and beverages in Qatar. Earlier this year, BFI had signed a memorandum of understanding (MoU) with FELCRA Berhad, the government-owned company of Malaysia. According to the MoU, BFI will share its expertise to help FELCRA Berhad build a large-scale dairy project to double Malaysia's fresh milk production in the next two years. This initiative is in line with Baladna's expansion plans and Malaysia's National Food Security Program. During the Prime Minister's visit, he toured the state-of-the-art facilities and held discussions on the strategic plans the flagship brand had put in place for their recent MoU with FELCRA Berhad. BFI has begun exporting products to countries around the region including, Yemen, Afghanistan, Iraq and Oman, while eyeing potential markets in Libya, Kuwait, Jordan, Mauritania. (Gulf-Times.com)
- **Qatar set to be world's largest LNG producer says Al-Attiah** – Qatar is on track to become the world's largest producer of liquefied natural gas (LNG), the country's former Energy Minister stressed on Saturday during a discussion at the Doha Forum. HE Abdullah bin Hamad Al-Attiah, the Chairman of the Al-Attiah International Foundation for Energy and Sustainable Development, made the statement during the forum's special session titled 'Spotlight Conversation with HE Abdullah bin Hamad Al-Attiah'. Al-Attiah recalled Qatar's journey in the oil and gas industry and how it emerged as a leading producer of LNG through its partnerships with major oil and gas companies in the US and Europe. "Since discovering liquid gas, Qatar emerged as among the biggest producers of LNG worldwide," Al-Attiah noted, adding that the country's success in the hydrocarbon sector enabled it to create a wide range of downstream industries in the succeeding years. Aside from local production, al-Attiah said Qatar also managed to create offshore projects with its international partners, citing one of its largest LNG projects outside the country with ExxonMobil – the Golden Pass LNG Export Project located in Sabine Pass, Texas, US. (Gulf-Times.com)

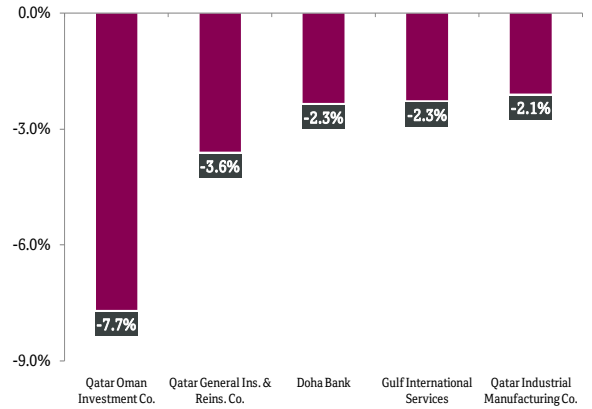
Qatar Stock Exchange

Top Gainers



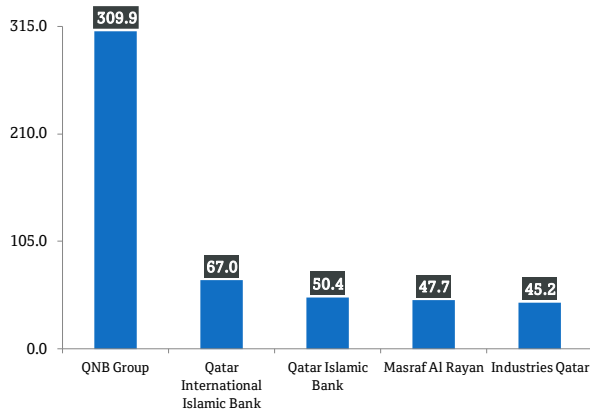
Source: Qatar Stock Exchange (QSE)

Top Decliners



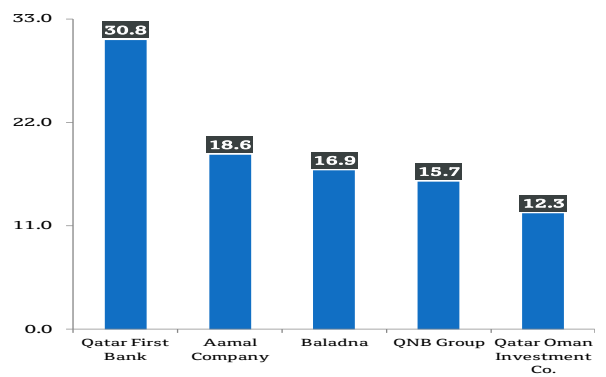
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



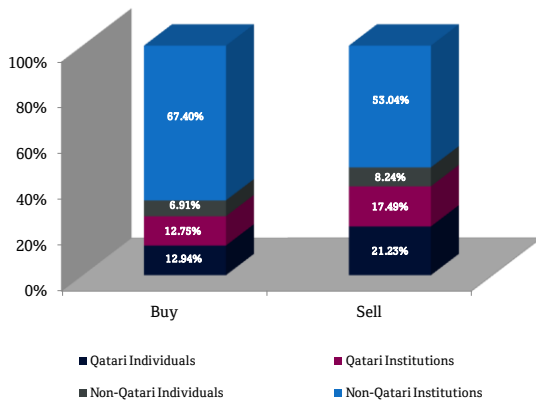
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



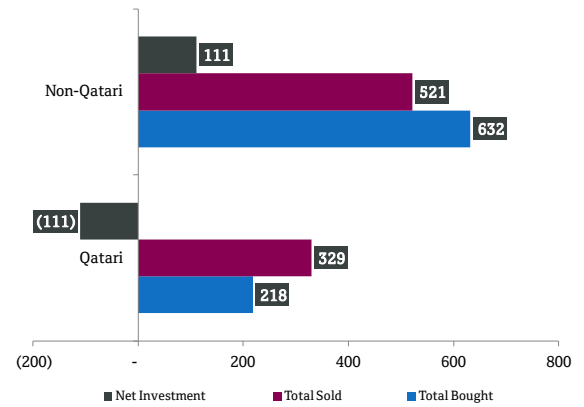
Source: Qatar Stock Exchange (QSE)

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 0.81% from the week before, and closed at the 10,340.37 level. Our thesis has not changed over the past few weeks, as 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 December 17	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	20.06	3.72	2.87	185,283	14.4	2.6	3.0
Qatar Islamic Bank	15.26	1.33	0.39	36,058	13.1	2.2	3.3
Commercial Bank of Qatar	4.49	2.51	13.99	18,172	11.0	1.0	3.3
Doha Bank	2.52	(2.33)	13.51	7,813	11.1	0.8	4.0
Al Ahli Bank	3.42	0.00	34.36	7,914	11.7	1.4	2.7
Qatar International Islamic Bank	9.59	0.10	45.04	14,516	16.6	2.4	4.2
Masraf Al Rayan	3.96	0.25	(4.99)	29,700	13.8	2.2	5.1
Al Khaliji Bank	1.28	2.40	10.92	4,608	7.9	0.8	5.9
Qatar First Bank	0.31	0.33	(24.51)	616	N/A	0.9	N/A
National Leasing	0.70	(0.43)	(20.71)	345	22.0	0.5	7.2
Dlala Holding	0.62	(0.81)	(38.40)	175	N/A	0.9	N/A
Qatar & Oman Investment	0.61	(7.67)	14.98	193	72.3	0.7	4.9
Islamic Holding Group	1.93	0.00	(11.67)	109	205.1	0.8	N/A
Banking and Financial Services				305,503			
Zad Holding	13.95	(0.36)	34.13	2,007	15.5	2.2	6.1
Qatar German Co. for Medical Devices	0.57	(0.18)	0.18	65	N/A	2.0	N/A
Salam International Investment	0.50	(1.96)	15.47	572	N/A	0.5	N/A
Baladna	1.00	0.00	N/A	1,901	N/A	N/A	N/A
Medicare Group	8.66	(0.46)	37.24	2,437	30.0	2.5	20.8
Qatar Cinema & Film Distribution	2.20	0.00	15.67	138	17.9	1.0	6.8
Qatar Fuel	22.70	0.40	36.76	22,570	18.7	2.8	3.5
Qatar Meat and Livestock	6.80	0.74	(2.86)	1,224	11.5	3.6	6.6
Mannai Corp.	3.09	0.32	(43.77)	1,410	5.3	0.6	6.5
Al Meera Consumer Goods	15.39	0.85	3.99	3,078	16.7	2.3	5.5
Consumer Goods and Services				35,402			
Qatar Industrial Manufacturing	3.30	(2.08)	(22.72)	1,568	13.9	1.0	7.5
Qatar National Cement	5.69	(0.87)	(4.37)	3,719	15.3	1.2	8.8
Industries Qatar	10.24	(1.25)	(23.36)	61,952	19.1	1.8	5.9
Qatari Investors Group	1.78	0.56	(35.99)	2,213	17.0	0.8	4.2
Qatar Electricity and Water	16.10	(0.62)	(12.97)	17,710	13.3	1.9	4.8
Aamal	0.79	3.40	(10.63)	4,977	13.6	0.6	7.6
Gulf International Services	1.73	(2.26)	1.76	3,215	N/A	0.9	N/A
Mesaieed Petrochemical Holding	2.59	3.60	72.32	32,539	38.1	2.2	3.1
Invesment Holding Group	0.57	(0.35)	15.95	471	7.7	0.6	4.4
Qatar Aluminum Manufacturing	0.80	0.00	(40.30)	4,447	N/A	N/A	2.5
Industrials				132,810			
Qatar Insurance	3.14	1.62	(12.53)	10,256	17.5	1.2	4.8
Doha Insurance	1.14	0.88	(12.91)	570	8.8	0.5	7.0
Qatar General Insurance & Reinsurance	2.42	(3.59)	(46.08)	2,118	11.7	0.3	4.1
Al Khaleej Takaful Insurance	2.04	(0.49)	137.49	521	13.0	1.0	2.5
Qatar Islamic Insurance	6.78	0.59	26.23	1,017	15.4	2.8	5.2
Insurance				14,481			
United Development	1.46	(0.68)	(1.02)	5,170	13.8	0.5	6.8
Barwa Real Estate	3.47	0.87	(13.05)	13,503	8.6	0.7	7.2
Ezdan Real Estate	0.63	(0.47)	(51.31)	16,764	50.5	0.5	N/A
Mazaya Qatar Real Estate Development	0.73	(1.89)	(7.05)	839	N/A	0.7	6.9
Real Estate				36,275			
Ooredoo	7.10	(1.25)	(5.33)	22,743	13.1	1.0	3.5
Vodafone Qatar	1.17	(1.68)	(25.10)	4,946	33.1	1.1	4.3
Telecoms				27,688			
Qatar Navigation (Milaha)	6.15	(0.32)	(6.83)	7,043	13.1	0.5	4.9
Gulf Warehousing	5.40	1.89	40.37	316	16.8	1.8	3.5
Qatar Gas Transport (Nakilat)	2.43	(0.82)	35.53	13,463	14.0	2.1	4.1
Transportation				20,823			
Qatar Exchange				575,831			

Source: Bloomberg

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