

## Market Review and Outlook

The Qatar Stock Exchange (QSE) Index increased by 86.83 points, or 0.94% during the week, to close at 9,320.18. Market capitalization rose by 1.1% to reach QR529.2billion (bn) as compared to QR523.2bn at the end of the previous week. Of the 47 listed companies, 31 companies ended the week higher, while 14 fell and 2 remained unchanged. Dlala Brokerage and Investments Holding Co. (DBIS) was the best performing stock for the week, with a gain of 11.9%. On the other hand, Qatar Insurance Co. (QATI) was the worst performing stock with a decline of 6.0%.

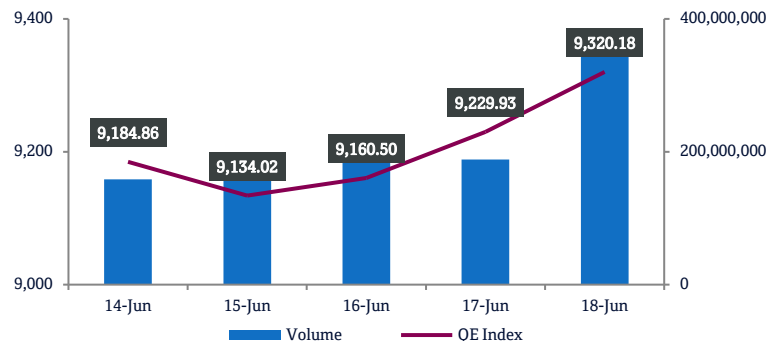
**Qatar International Islamic bank (QIIC), Mesaieed Petrochemical Holding Company (MPHC) and QNB Group (QNBK) were the primary contributors to the weekly index gain.** QIIC was the biggest contributor to the index's weekly gain, adding 41.7 points to the index. MPHC was the second biggest contributor to the mentioned gain, contributing 15.3 points to the index. Moreover, QNBK tacked on 14.4 points to the index.

**Trading value during the week rose by 24.5% to reach QR2,065mn vs. QR1,659mn in the prior week.** The Banks and Financial Services sector led the trading value during the week, accounting for 38.9% of the total trading value. Real Estate sector was the second biggest contributor to the overall trading value, accounting for 21.9% of the total trading value. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR271.2mn.

**Trading volume increased by 6.5% to reach 1,104.4mn shares vs. 1,036.6mn shares in the prior week.** The number of transactions rose by 2.3% to reach 40,849 transactions versus 39,950 transactions in the prior week. Real Estate sector led the trading volume, accounting for 35.8%, followed by the Industrials sector comprising 23.0% of the overall trading volume. Ezdan Holding Group (ERES) was the top volume traded stock during the week with total traded volume of 221.5mn shares.

**Foreign institutions ended the week with net buying of QR24mn vs. net buying of QR19mn in the prior week.** Qatari institutions remained positive with net buying of QR84mn vs. net buying of QR2mn in the week before. Foreign retail investors remained negative with net selling of QR9mn vs. net selling of QR12m in the prior week. Qatari retail investors remained bearish with net selling of QR99mn vs. net selling of QR9mn the week before.

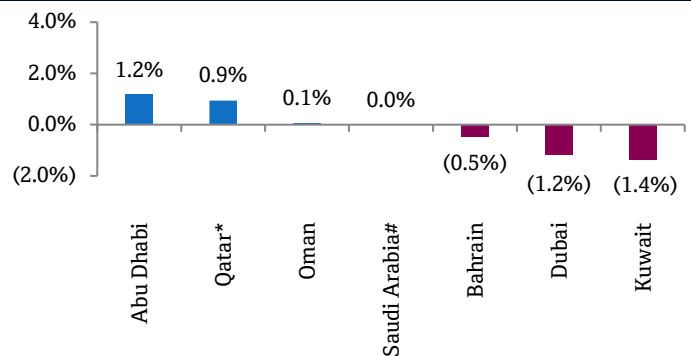
## QSE Index and Volume



Market Indicators	Week ended June 18, 2020	Week ended June 11, 2020	Chg. %
Value Traded (QR mn)	2,065.4	1,659.1	24.5
Exch. Market Cap. (QR mn)	529,212.7	523,228.4	1.1
Volume (mn)	1,104.4	1,036.6	6.5
Number of Transactions	40,849	39,950	2.3
Companies Traded	47	47	0.0
Market Breadth	31:14	27:19	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	17,917.74	0.9	5.4	(6.6)
ALL Share Index	2,887.45	0.9	5.1	(6.8)
Banks and Financial Services	4,035.30	1.4	5.1	(4.4)
Industrials	2,639.83	0.7	7.7	(10.0)
Transportation	2,686.13	1.3	3.7	5.1
Real Estate	1,450.20	1.2	5.9	(7.3)
Insurance	1,957.27	(4.0)	(5.8)	(28.4)
Telecoms	885.14	0.4	7.2	(1.1)
Consumer Goods & Services	7,434.52	0.1	4.3	(14.0)
Al Rayan Islamic Index	3,728.81	1.3	5.3	(5.6)

## 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*	9,320.18	0.9	5.4	(10.6)	563.29	144,263.4	14.5	1.4	4.3
Dubai	2,078.38	(1.2)	6.9	(24.8)	365.95	80,038.3	6.2	0.7	4.5
Abu Dhabi	4,345.28	1.2	4.9	(14.4)	269.27	134,508.0	13.5	1.3	5.9
Saudi Arabia#	7,309.67	0.0	1.3	(12.9)	76,567.72	2,208,859.9	22.2	1.6	3.5
Kuwait	5,020.27	(1.4)	0.5	(20.1)	508.25	93,380.7	14.7	1.1	3.9
Oman	3,515.76	0.1	(0.8)	(11.7)	12.51	15,303.4	9.8	0.8	6.8
Bahrain	1,274.30	(0.5)	0.4	(20.9)	18.16	19,312.2	9.2	0.8	5.5

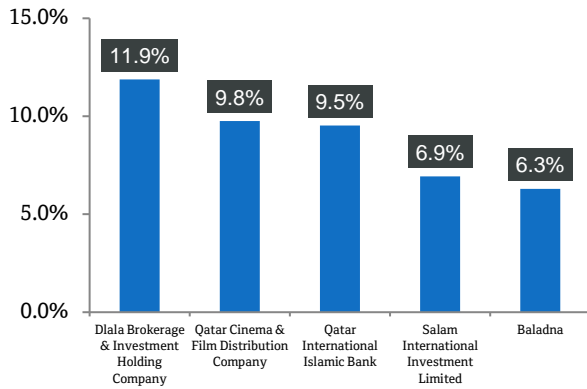
Source: Bloomberg, country exchanges and Zawya (\*\* Trailing Twelve Months; \* Value traded (\$ mn) do not include special trades, if any; # Data as of June 17, 2020)

## Economic / Market &amp; Corporate News

- UNCTAD: Qatar's FDI inward stock exceeds \$31bn in 2019** – Qatar's foreign direct investment (FDI) inward stock exceeded \$31bn in 2019, according to the latest "World Investment Report 2020" by United Nations Conference on Trade and Development (UNCTAD) released on Tuesday. The report highlighted Qatar's creation of an investment promotion agency to attract foreign investment. Launched last year, the Investment Promotion Agency (IPA), as part of its mandate to attract more FDI into Qatar, aims to be a single and complete source for investment solutions in the country by attracting FDIs in all of the country's priority sectors. The entity has also been tasked to pursue targeted, sector-specific investment promotion agendas and coordinate investment promotion and marketing activities with key stakeholders, as well as develop policy advisory. UNCTAD in its report said, "Qatar permitted, in principle, 100% foreign ownership in all economic sectors except some businesses such as banking and insurance." (Gulf-Times.com)
- Qatar achieves sixth rank in 2020 global economic performance** – Qatar achieved the sixth rank out of 63 countries, mostly high-income ones, in the economic performance category of The World Competitiveness Yearbook 2020. Confirming country's strong performance across various fields, the yearbook has placed Qatar at the 14th position internationally in the overall ranking. The ranking was based on national statistics as well as opinions of sample business managers who provided their views on Qatar's economy competitive climate. The World Competitiveness Yearbook 2020 is annually published by the International Institute for Management Development (IMD) located in Lausanne of Switzerland. (Qatar Tribune)
- Qatar's LNG expansion projects will not be affected by current volatility** – The Secretary-General of Gas Exporting Countries Forum (GECF), Yury Sentyurin has said that Qatar's LNG expansion program, which aims to increase LNG output by nearly 64% over the next seven years, will not be affected by the current volatility in the global gas market. The Secretary-General of the Doha-based Forum also noted that Qatar Petroleum enjoys significant cost competitive advantage compared to other gas producers, and by the time the post-moratorium volumes hit the market, gas demand in longer-term will be robust enough to accommodate additional supplies. "The Qatar expansion plans have been announced to keep going ahead as per the schedule. Based on the announced projects, Qatar will expand its capacity of LNG production to 110mtpa by 2025 and 126mtpa by 2027. By the time these projects are expected to come online, the impact of COVID-19 is likely have been recovered. Definitely, a delay in improving demand will come to play in the market. Still, it will only be a time delay and the market will still need LNG to meet the demand in longer-term," Sentyurin told The Peninsula in an exclusive interview. He added, "Based on the benefits Qatar enjoys due to the lower cost of the production from the mammoth North Field and other planned measures at Qatar Petroleum such as a 30% cost reduction, we think these projects can easily be accommodated into the market." Commenting about the impact of the coronavirus pandemic on future gas development projects and FIDs (Final Investment Decisions) in other countries, he noted that the global gas markets, currently, are experiencing increasing complexity. COVID-19 has amplified the level of uncertainty about the competitiveness of the new projects. The unfortunate pandemic has exacerbated the risks that were already in place, created by the over-supply markets, a mild winter, and low-level prices. (Peninsula Qatar)
- S&P affirms AKHI's insurer financial strength and issuer credit ratings at 'BBB'** – S&P Global Ratings (S&P) affirmed its 'BBB' insurer financial strength and issuer credit ratings on Al Khaleej Takaful Insurance Company (AKHI). The outlook is 'Stable'. The affirmation reflects S&P's view of AKHI's better operating performance than the average for its domestic and regional peers, and the limited impact on AKHI from the COVID-19 pandemic. In 2019, AKHI reported gross written premium of QR296mn, about 11% higher than in 2018. The company has consistently outperformed the market average and continues to enjoy a top-tier technical performance. It reported a net combined ratio of 83% in 2019, resulting in net profits of QR30mn. The COVID-19 pandemic and related capital-market volatility has had a limited impact on AKHI. While S&P anticipates that 2020 premium growth will slow to the low-single digits, S&P believes that AKHI will maintain its technical performance, since it generally excludes pandemic risk from its policies. In the 1Q2020, the company experienced a negative movement in its fair value reserve of QR40mn, due to its material exposure to equity investments. Nonetheless, the company's risk-based capital is unaffected by this drop and remains well in excess of our 'AAA' requirements. In addition, S&P noted that the stock markets have recovered since the peak of the pandemic, reversing some of the unrealized losses AKHI reported in the first quarter. The 'Stable' outlook indicates S&P's expectations that AKHI will continue to generate profitable earnings and maintain capital adequacy at the 'AAA' level, and that S&P will not observe any significant governance-related issues over the next two years. (Bloomberg)
- MCCS announces the results of its board of directors meeting** – Mannai Corporation (MCCS) announced the results of its board of directors' meeting held on June 17, 2020 through videoconferencing and discussed administrative and operational matters of the company. (QSE)
- Education City Stadium becomes third completed Qatar 2022 venue** – The Supreme Committee for Delivery & Legacy (SC) and Qatar Foundation (QF) have announced the completion of the third tournament venue for the FIFA World Cup Qatar 2022. Located in the heart of Education City – Qatar's education, research and innovation hub – the 40,000-capacity Education City Stadium is slated to host matches up to the quarter-finals stage during the tournament. The stadium's completion will be marked digitally on the SC's social media platforms, in light of the current COVID-19 pandemic, and via special 60-minute programs in both Arabic and English on beIN SPORTS on Monday night. (Qatar Tribune)

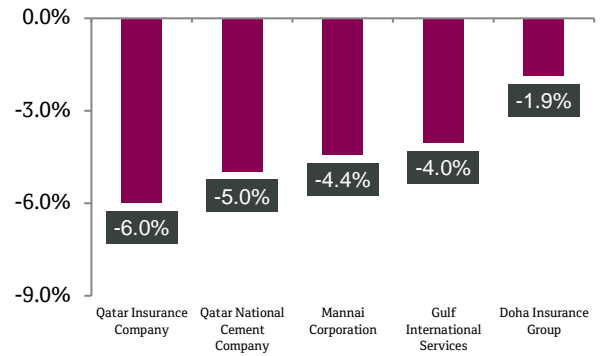
# Qatar Stock Exchange

## Top Gainers



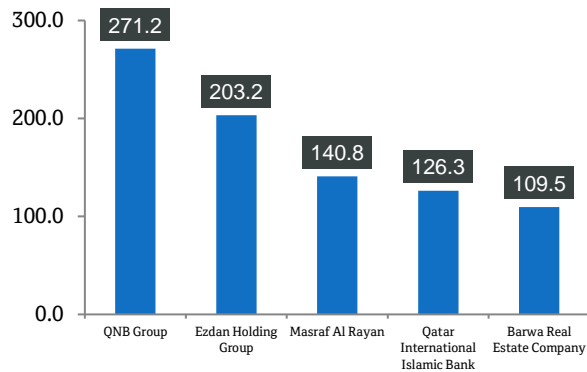
Source: Qatar Stock Exchange (QSE)

## Top Decliners



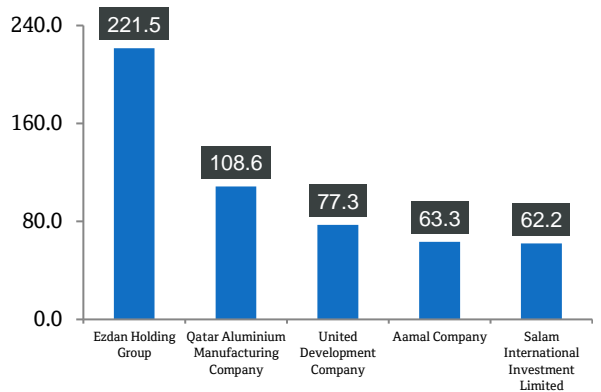
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Value (QR Million)



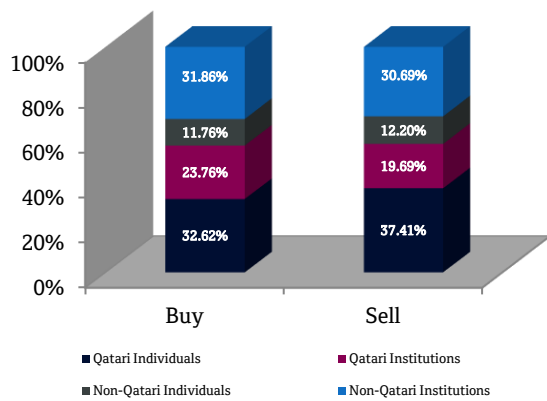
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Volume (Million)



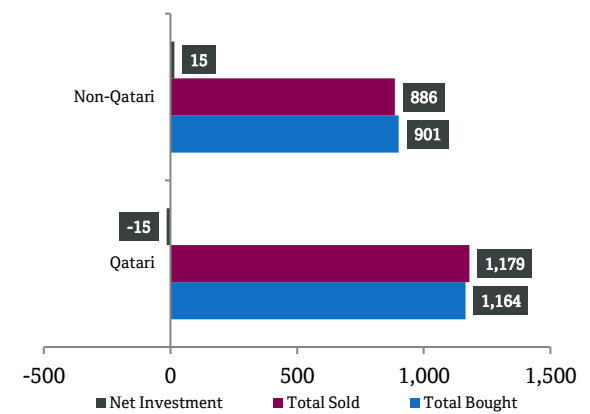
Source: Qatar Stock Exchange (QSE)

## 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 QSE Index closed flat at 9320.18 level, up by 0.94% from the week before. The Index remains below its 200-day moving average, which indicates selling pressure may persist. However, the price has bounced off the short-term uptrend corrective channel. As a result, we cannot anticipate the next move for the market as it seeks direction. Our major support level remains at the 8,800 level and the resistance at the 9,700 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 June 18	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	17.90	1.13	(13.06)	165,332	13.1	2.4	3.4
Qatar Islamic Bank	16.45	0.61	7.31	38,870	13.7	2.4	3.2
Commercial Bank of Qatar	3.88	(0.49)	(17.45)	15,703	9.1	0.9	5.2
Doha Bank	2.19	0.88	(13.56)	6,781	12.3	0.8	N/A
Al Ahli Bank	3.17	(0.94)	(4.90)	7,702	11.4	1.3	4.5
Qatar International Islamic Bank	8.85	9.53	(8.57)	13,396	15.2	2.4	4.8
Masraf Al Rayan	3.91	0.57	(1.24)	29,333	13.4	2.3	5.8
Al Khaliji Bank	1.36	3.27	3.74	4,892	8.2	0.9	5.5
Qatar First Bank	1.03	3.92	26.41	724	N/A	1.4	N/A
National Leasing	0.76	2.99	7.52	375	27.2	0.5	6.6
Diala Holding	1.12	11.89	83.31	318	N/A	1.7	N/A
Qatar & Oman Investment	0.62	4.75	(7.77)	194	27.2	0.7	3.2
Islamic Holding Group	2.80	(1.10)	47.32	159	198.1	1.2	N/A
<b>Banking and Financial Services</b>				<b>283,779</b>			
Zad Holding	14.40	1.34	4.20	3,413	16.6	2.2	5.9
Qatar German Co. for Medical Devices	1.19	1.28	104.12	137	N/A	4.9	N/A
Salam International Investment	0.34	6.94	(34.43)	388	N/A	0.4	N/A
Baladna	1.25	6.30	24.80	2,372	N/A	1.1	1.7
Medicare Group	6.80	(1.51)	(19.51)	1,914	26.9	2.0	26.5
Qatar Cinema & Film Distribution	2.80	9.76	27.23	176	39.0	0.1	3.6
Qatar Fuel	16.90	(0.53)	(26.20)	16,803	15.1	2.0	4.7
Qatar Meat and Livestock	6.57	3.46	(2.81)	1,183	11.9	3.8	4.6
Mannai Corp.	2.91	(4.44)	(5.68)	1,325	10.2	0.5	6.9
Al Meera Consumer Goods	18.20	0.55	18.95	3,640	18.9	2.9	4.7
<b>Consumer Goods and Services</b>				<b>31,351</b>			
Qatar Industrial Manufacturing	2.83	0.00	(20.73)	1,345	14.4	0.9	5.3
Qatar National Cement	3.71	(4.97)	(34.41)	2,422	17.1	0.8	8.1
Industries Qatar	8.41	0.12	(18.19)	50,881	24.4	1.6	4.8
Qatari Investors Group	1.71	2.10	(4.75)	2,120	19.9	0.8	3.2
Qatar Electricity and Water	16.39	0.74	1.86	18,029	12.7	2.2	4.7
Aamal	0.70	4.78	(13.65)	4,423	14.4	0.6	5.7
Gulf International Services	1.52	(4.05)	(11.74)	2,821	101.8	0.8	N/A
Mesaieed Petrochemical Holding	2.14	4.09	(14.78)	26,873	27.6	1.9	3.3
Investment Holding Group	0.50	0.60	(11.52)	414	8.4	0.5	N/A
Qatar Aluminum Manufacturing	0.72	2.41	(7.55)	4,029	N/A	0.7	1.4
<b>Industrials</b>				<b>113,355</b>			
Qatar Insurance	1.90	(5.99)	(39.87)	6,206	63.2	0.9	7.9
Doha Insurance	1.05	(1.87)	(12.50)	525	11.3	0.5	7.6
Qatar General Insurance & Reinsurance	2.11	(0.52)	(14.27)	1,846	N/A	0.4	N/A
Al Khaleej Takaful Insurance	1.97	(1.11)	(1.60)	502	15.9	1.0	2.5
Qatar Islamic Insurance	6.33	1.25	(5.25)	949	12.9	2.7	5.9
<b>Insurance</b>				<b>10,028</b>			
United Development	1.21	(0.90)	(20.72)	4,267	17.7	0.4	4.1
Barwa Real Estate	3.02	2.37	(14.69)	11,752	9.7	0.6	6.6
Ezdan Real Estate	0.91	2.96	47.15	24,005	2520.9	0.8	N/A
Mazaya Qatar Real Estate Development	0.76	0.80	5.42	877	31.0	0.7	N/A
<b>Real Estate</b>				<b>40,901</b>			
Ooredoo	6.73	0.00	(4.94)	21,558	12.8	1.0	3.7
Vodafone Qatar	1.10	1.67	(5.60)	4,629	31.6	1.1	4.6
<b>Telecoms</b>				<b>26,186</b>			
Qatar Navigation (Milaha)	5.62	(0.58)	(7.85)	6,437	12.3	0.5	5.3
Gulf Warehousing	5.20	2.81	(5.11)	305	12.6	1.8	3.8
Qatar Gas Transport (Nakilat)	2.55	2.41	6.69	14,128	13.6	2.4	3.9
<b>Transportation</b>				<b>20,870</b>			
<b>Qatar Exchange</b>				<b>529,213</b>			

Source: Bloomberg



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